Government of Saskatchewan

Annual Statistical Report 1996-97

Saskatchewan Health

Drug Plan and Extended Benefits Branch

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Preface

This document is a statistical supplement to the Annual Report of Saskatchewan Health for the fiscal year 1996-97. It contains statistical data concerning the programs administered by the Drug Plan and Extended Branch, including the Drug Plan, Supplementary Health Program, and Saskatchewan Aids to Independent Living.

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Drug Plan & Extended Benefits Branch

The Drug Plan and Extended Benefits Branch was formed on April 1, 1996 by amalgamating the Drug Plan program, the Supplementary Health program, the Saskatchewan Aids to Independent Living program, and the Income testing for Special Care Homes.

MISSION STATEMENT

Drug Plan and Extended Benefits Branch provides benefits to the eligible Saskatchewan population by:

- promoting optimal, cost-effective drug therapy and extended benefits
- subsidizing qualifying residents and
- facilitating the use of the database

The following kinds of activities contribute to achieving the Mission:

- leading policy development on Drug Plan, SAIL and Supplementary Health related issues
- providing Drug Plan benefits to the eligible Saskatchewan population
- providing non-insured health benefits to residents nominated for Supplementary Health benefits by Saskatchewan Social Services
- providing Saskatchewan Aids to Independent Living (SAIL) Program benefits to eligible residents
- administering, on behalf of Health Districts, income tested resident charges for residents of Special Care Homes
- providing case management services in appropriate areas
- improving program delivery and accountability to the public and the Legislature through trends analysis and annual statistical reports
- providing funds for various initiatives that encourage appropriate use of drugs, e.g Community Drug Utilization Program
- using the claims paid database for various studies to promote appropriate use of drugs

Eligibility for Coverage

Drug Plan

Eligible
All Saskatchewan residents with valid Saskatchewan Health coverage unless coverage is provided by another federal or provincial government or non-government agency.

Active beneficiaries
A resident of Saskatchewan who received an eligible prescription.

Not Eligible
Beneficiaries eligible under the Medical Services Division of Indian Health Canada, Department of Veteran Affairs, Royal Canadian Mounted Police, Canadian Forces, Worker's Compensation, and Federal Penitentiary.

Supplementary Health

Eligible
People nominated for coverage by Saskatchewan Social Services, inmates of correctional institutions, nominated seniors in special care homes or hospitals whose incomes are below the Saskatchewan Income Plan level, Family Income Plan and Saskatchewan Income Plan recipients living in the community.

Saskatchewan Aids to Independent Living (SAIL)

Eligible
People with long term disabilities or illnesses, which leave them unable to function fully, may receive specialized benefits to help them achieve more independent and active lifestyles.

Saskatchewan residents with valid Saskatchewan Health coverage.

Not Eligible
Beneficiaries eligible under departments or agencies of the Government of Canada, the Worker's Compensation Board, Saskatchewan Government Insurance, or are residents of general, rehabilitation or extended care hospitals.

Highlights for 1996-97

Drug Plan

- One in every four families that received a prescription received a financial benefit.

- At June 30, 1996, a total of 946,153 individuals, representing 502,356 family units were eligible to receive Drug Plan benefits.

- A total of 627,358 individual beneficiaries representing 405,520 family units, purchased eligible prescriptions. This represents 66.3% of eligible individuals.

- Tendering of certain high volume interchangeable drug groups helped to keep Formulary drug prices low. Estimated savings for Saskatchewan residents and the Drug Plan in 1996-97 were approximately $2.0M.

- Terminally ill patients covered under the Palliative Care Program received 45,185 prescriptions at no charge. The Drug Plan payment for Palliative Care was $2.0 million.

- **The Special Support Program:**
  - helped 38,201 families (65% were senior families)
  - provided benefits in the amount of $31.2 million
  - dispensed an average of 28.9 prescriptions to each active beneficiary
  - dispensed an average of 42.9 prescriptions to each family unit
  - assisted on average 61.7% of the total prescription costs.

- **Active beneficiaries not subject to a deductible:**
  - helped 43,584 families
  - provided benefits of $23.3 million
  - dispensed an average of 11.3 prescriptions to each active beneficiary
  - dispensed an average of 16.2 prescriptions to each family unit
  - assisted on average 97.7% of the total prescription costs.

- **Active beneficiaries who are subject to a deductible and a co-payment:**
  - provided benefits of $7.4 million
  - dispensed an average of 7.2 prescriptions to each active beneficiary
  - dispensed an average of 11.3 prescriptions to each family unit
  - assisted on average 8.4% of the total prescription costs.

- **Drug claims processed for Formulary and Exception Drug Status drugs:**
  - processed 6.0 million prescriptions during April 1/96 to March 31/97
  - provided benefits in the amount of $61.9 million
  - average drug acquisition cost per prescription was $18.81
  - average mark-up paid to pharmacies was $2.18
  - average dispensing fee paid to pharmacies was $6.05.

- The Saskatchewan Formulary listed 2,663 Formulary drug products and 284 published Exception Drug Status (EDS) products.

Supplementary Health

- The average number of eligible beneficiaries under the program was 69,983.
- Net payments for the program were $10.8 million during the fiscal 12 month period.
- Program expenditures per beneficiary rose from $147.51 in 1995-96 to $154.75 in 1996-97. These figures do not include northern medical transportation (covered by the Northern Health Services Branch) or Formulary Drugs (covered by the Drug Plan).

Saskatchewan Aids to Independent Living (SAIL)

- The number of caseloads was 7,438 in 1996-97, an increase of 258 from the previous year.
- Net payments for the Orthopaedic and Special Needs Equipment programs were $3.6 million during the fiscal 12-month period.
- The SAIL Oxygen program was changed in 1996-97 to provide benefits according to medical criteria. The program cost in 1996-97 was $7.5 million compared to $8.9 million in 1995-96.
- Net payments for non formulary drugs and ostomy supplies for approved beneficiaries were $4.16 million in the fiscal 12-month period.
- A total 3,837 orthopaedic issues were made in 1996-97, a reduction of 131 from the previous year. The number of repairs was 2,958, a reduction of 99 from the previous year.
- A total 20,418 wheelchairs and other special needs equipment aids were loaned to beneficiaries in 1996-97, an increase of 1,246 from the previous year. The number of needs equipment repairs was 2,050, an increase of 42 over the previous year.

The Drug Plan

Background

- Enabling legislation for the Drug Plan, The Prescription Drugs Act was assented to on May 10, 1974.

- The Drug Plan began providing benefits on September 1, 1975. A review process was established to recommend which drugs should be covered under the Drug Plan. The actual acquisition cost plus a dispensing fee comprised the total cost of a Formulary drug.

- During the first full year, $14.9 million was paid in benefits; the average prescription cost was $6.04; and the average consumer share was $1.96 per prescription.

- On July 1, 1987, a mark-up on the cost of a drug was added. Mark-up was calculated on the acquisition cost before the dispensing fee was added.

- On July 1, 1987, the Drug Plan was changed from a fixed co-payment coverage program to a basic deductible* and percentage co-payment program. Those residents entitled to special health benefits were exempted.

- On July 1, 1987, Palliative Care coverage was introduced.

- On January 1, 1989, Point of Sale terminals were installed for each pharmacy to submit claims information electronically for adjudication on-line real time.

- On January 1, 1989, eligible drugs purchased anywhere in Canada by all eligible Saskatchewan residents became a benefit.

- On March 8, 1991, beneficiaries in Special Care Homes who previously paid a maximum $3.95 for each prescription, became part of the deductible plan.

- On July 1, 1991, the coverage policy for drugs in an interchangeable group was changed. The actual acquisition cost of every product in the interchangeable group is covered only up to lowest listed price in the group. Patients experiencing problems with a specific brand of medication could be exempted from the extra cost of the "no sub" brand at their physician's request.

- In 1995, an agreement was reached with the Saskatchewan Pharmaceutical Association to collect 3 cents from each dispensed covered prescription. The resulting fund is used to pay for alternative services provided by pharmacies (e.g. trial prescriptions).

* Refer to ***History of Deductibles*** on page 7.

History of Deductibles:

- **July 1, 1987**
  - Annual deductible of $125 (regular family), then a co-payment of 20%.
  - Annual deductible of $75 (senior family), then a co-payment of 20%.
  - Annual deductible of $50 (single senior), then a co-payment of 20%.

- **March 8, 1991**
  - Annual deductibles as above (1987), then a co-payment of 25%.
  - Residents of Special Care Homes became part of the deductible program.

- **May 19, 1992**
  - Semi-annual deductible of $190 (regular family), then a co-payment of 35% to a $375 maximum, then 10% co-payment.
  - Single Senior and Senior family deductibles at 1987 level but became semi-annual, with a co-payment of 35% to a $375 maximum, then 10% co-payment.

- **March 19, 1993**
  - Families became eligible for the Special Support program, where the co-payment is determined based on family income. Co-payment is set based on the relation between family income and eligible drug cost.
  - Family Income Plan recipients and Saskatchewan Income Plan recipients, a semi-annual deductible of $100 then a co-payment of 35%.
  - Guaranteed Income Supplement recipients in special care homes, a semi-annual deductible of $100, then a co-payment of 35%.
  - All other Guaranteed Income Supplement recipients, a semi-annual deductible of $200 then a co-payment of 35%.
  - All other family units subject to a deductible and not approved for Special Support, a semi-annual deductible of $850, then a co-payment of 35%.

OBJECTIVES

The Drug Plan has been established to:

- provide coverage to Saskatchewan residents for quality pharmaceutical products of proven therapeutic effectiveness;
- reduce the direct cost of prescription drugs to Saskatchewan residents;
- reduce the cost of drug materials;
- encourage the rational use of prescription drugs.

Table 1 - Prescription Use & Drug Plan Payment

Type of Beneficiary	Active Beneficiaries [1]	Number of Prescriptions [2]	%	Total Drug Plan Payment [3]	%
April 1996 - March 1997					
Saskatchewan Assistance Plan Recipients					
-Prescription Charge Subsidized, (Plan One)	26,881	277,598	4.6	7,327,354	11.8
-Prescription Charge Fully Covered					
Special Drugs for Plan One	2,633	27,028	0.5	706,865	1.1
Plan OneDependents to Age 18	18,198	76,011	1.3	1,429,577	2.3
Plans Two and Three	9,422	209,278	3.5	5,282,517	8.5
Special Beneficiaries					
-Paraplegics	1,229	30,088	0.5	957,098	1.5
-Cystic Fibrosis	105	2,457	0.0	471,842	0.8
-Chronic Renal Disease	534	24,071	0.4	842,877	1.4
-Others for Certain Drugs [4]	1,286	12,427	0.2	4,269,342	6.9
Palliative Care	1,915	45,185	0.8	1,992,810	3.2
Emergency Assistance	119	553	0.0	8,891	0.0
Special Support	56,757	1,639,513	27.3	$ 31,172,107	50.4
Income Supplement Recipients					
-Family Income Plan	2,841	8,602	0.1	27,030	0.0
-Saskatchewan Income Plan	8,984	148,690	2.5	1,381,478	2.2
-Guaranteed Income Supplement					
Special Care Home	2,219	62,978	1.1	599,903	1.0
Community	23,057	330,350	5.5	2,009,964	3.2
Regular Deductible Program	471,178	3,101,277	51.7	3,384,050	5.5
Total	626,953	5,996,106	100.0	$ 61,863,705	100.0

1 Active Beneficiaries are more than in other tables as a beneficiary can appear in more than one type in the same year.

2 Refers to Formulary and Exception Drug Status drugs.

3 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee; less deductibles, the co-payment, and prescription charges paid by the consumer to the pharmacy.

4 Prescriptions for certain drugs have been restated to show under Special Beneficiaries to conform with co-payments policies established when approving coverage of new high cost MS drugs.

Types of Drug Plan Coverage

1. Saskatchewan Assistance Plan Coverage

Residents receiving benefits through the Saskatchewan Assistance Plan (SAP) are entitled to Drug Plan benefits at a reduced charge, or at no charge depending on their level of coverage. Deductibles are waived for these beneficiaries.

a. Plan One

Plan One beneficiaries 18 years or older are entitled to receive insulin, oral hypoglycemics, injectable vitamin B12, allergenic extracts, oral contraceptives and some products used in megavitamin therapy at no charge. These beneficiaries pay a reduced charge, to a maximum of $2.00, for all Formulary and approved Exception Drug Status drugs.

Dependents under 18 years of age are entitled to receive the above benefits at no charge.

b. Plan Two

Beneficiaries receiving Plan Two coverage are entitled to receive the same benefits as Plan One patients at no charge.

Plan Two coverage is provided to assist Plan One beneficiaries who require several drugs on a regular long-term basis. Eligibility for Plan Two coverage is determined on the basis of a physician's review of medication requirements, and application to the Drug Plan and Extended Benefits Branch.

c. Plan Three

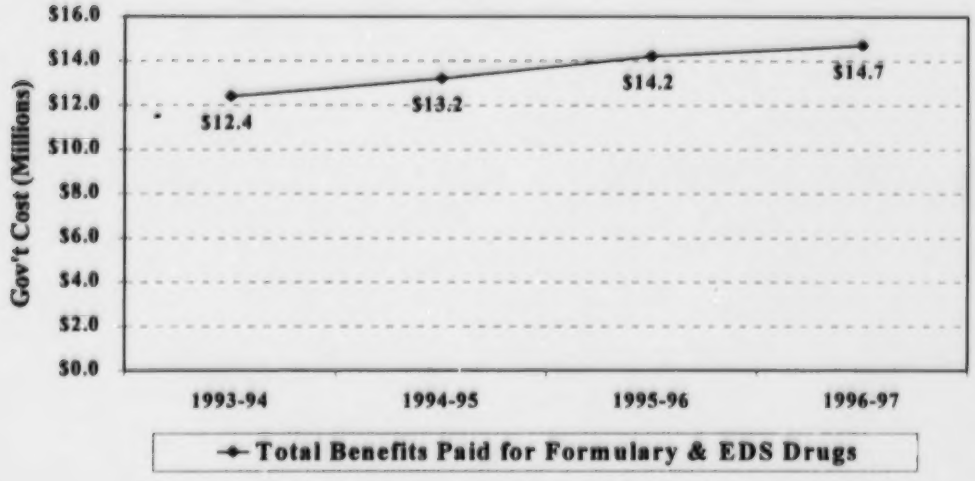
Plan Three beneficiaries are entitled to receive all Formulary drugs and certain non-Formulary drugs at no charge. Supplementary Health covers the cost of certain non-Formulary drugs and the cost of megavitamins and allergenic extracts for Plan One and Plan Two beneficiaries.

Plan Three beneficiaries are residents receiving supplementary assistance who live in Special-Care homes licensed under *The Housing and Special-Care Homes Act*, Approved Homes licensed under *The Mental Health Act*, wards of the province and inmates of provincial jails.

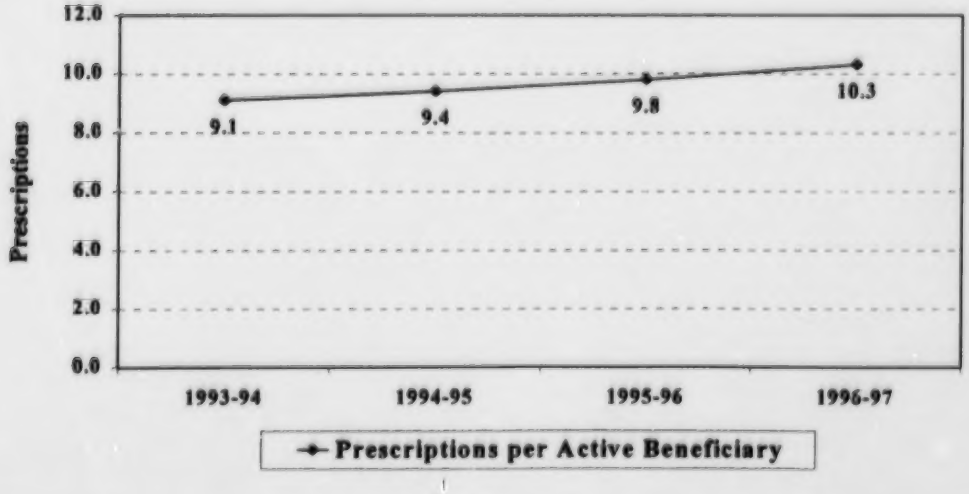
Saskatchewan Assistance Plan Coverage (Continued)

	1993-94	1994-95	1995-96	1996-97
Number of SAP Active Beneficiaries	58,192	59,307	58,221	57,134

Saskatchewan Assistance Plan Drug Coverage



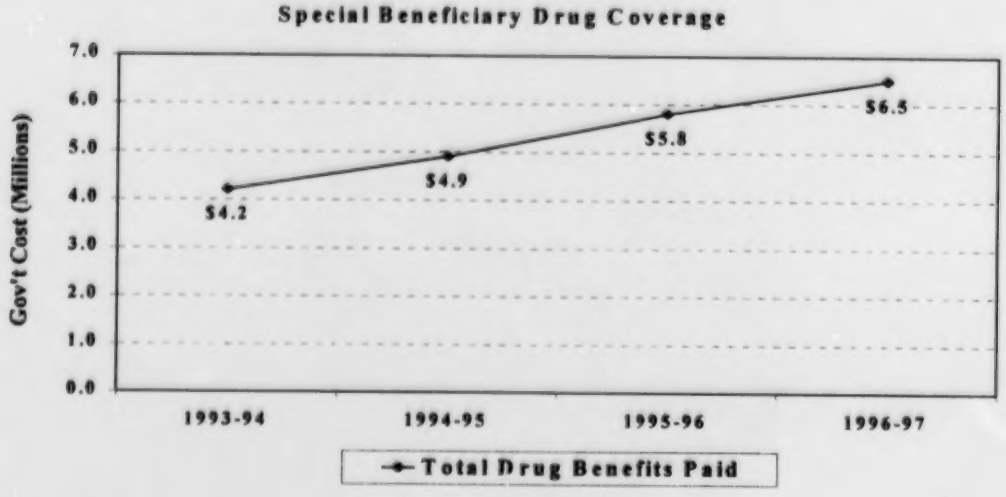
Saskatchewan Assistance Plan Drug Coverage

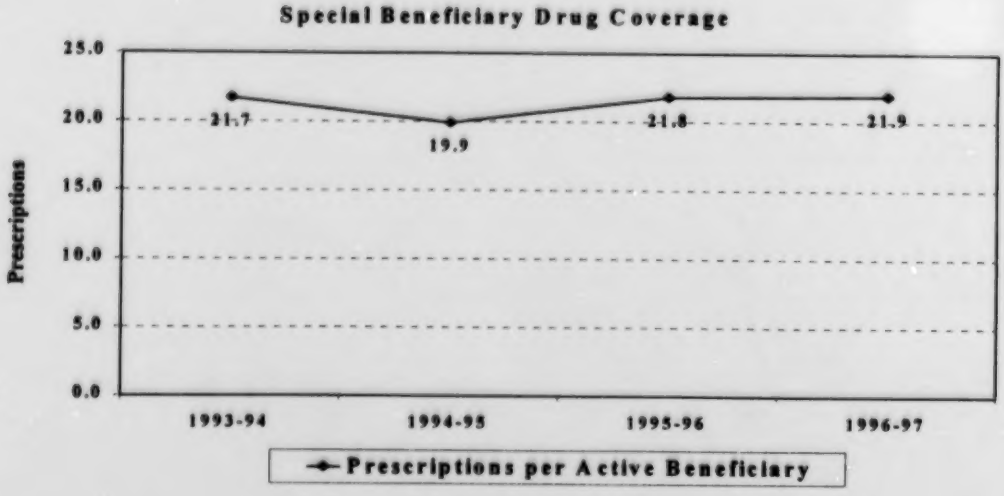


2. Special Beneficiaries

Special Beneficiaries include persons under the paraplegic program, cystic fibrosis program, chronic end-stage renal disease program, and users of certain no charge high cost drugs. These beneficiaries are entitled to receive certain non-Formulary drugs, Exception Drug Status drugs, and all prescribed Formulary drugs at no charge under the Drug Plan.

	1993-94	1994-95	1995-96	1996-97
Number of Active Beneficiaries	2,315	2,812	2,924	3,154



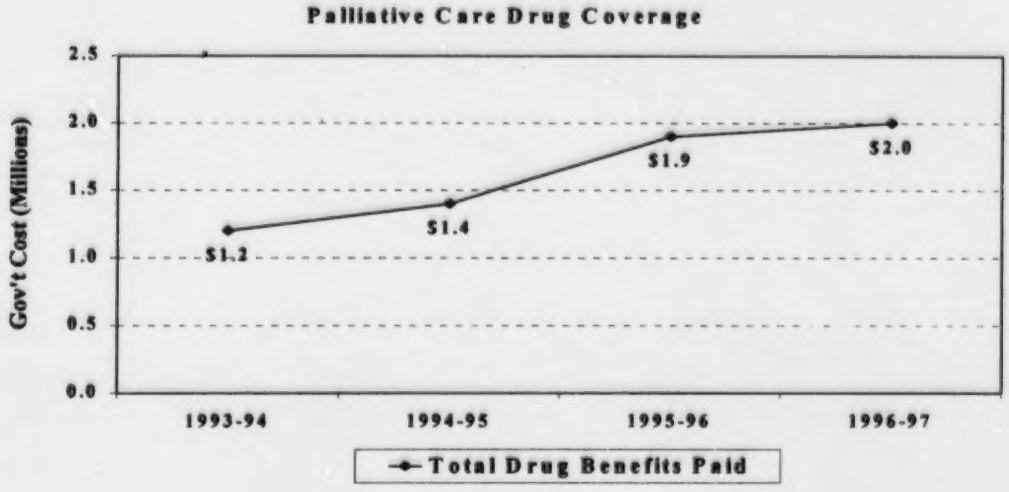


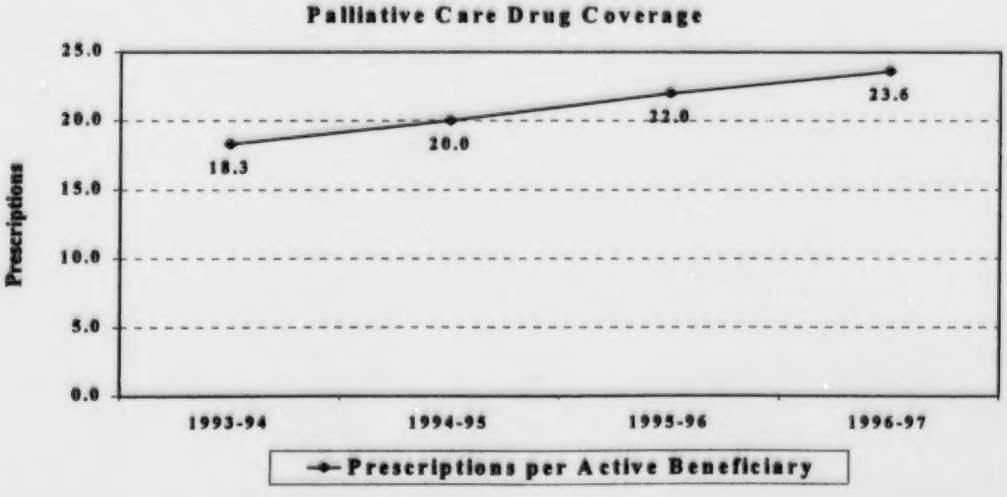
3. Palliative Care Coverage

Persons in late stages of terminal illness are entitled to receive at no cost:

- regular Formulary drugs;
- EDS drugs where prior approval has been granted;
- most laxatives.

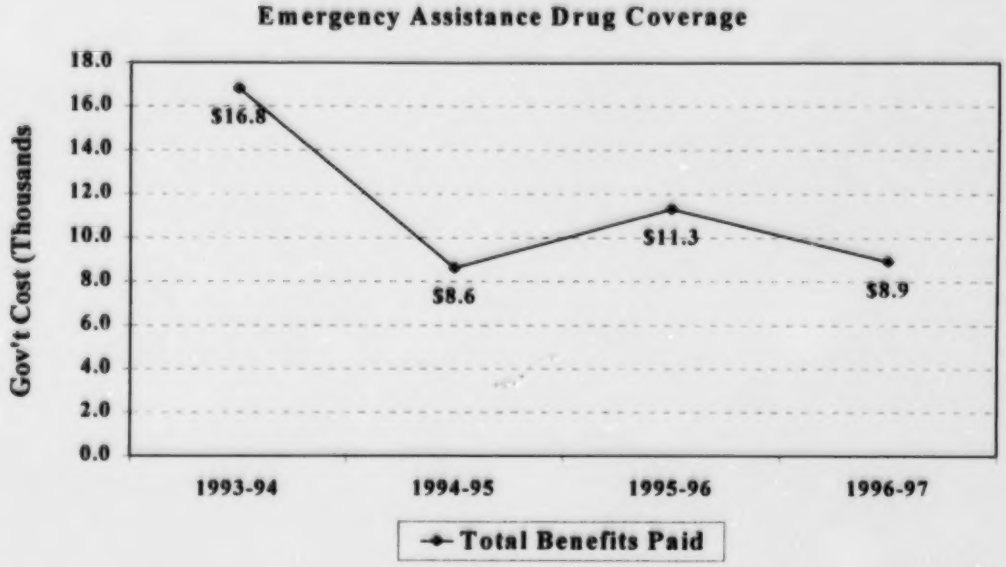
	1993-94	1994-95	1995-96	1996-97
Number of Active Beneficiaries	1,209	1,535	1,841	1,915





4. Emergency Assistance

Residents who require immediate treatment with covered prescription drugs and who are unable to cover the cost, may access emergency assistance. An eligible beneficiary may obtain a limited supply of covered prescription drug(s) at a reduced cost. The level of assistance provided will be in accordance with the consumer's ability to pay. Emergency assistance is available on one occasion, after which the beneficiary is then encouraged to apply for Special Support.



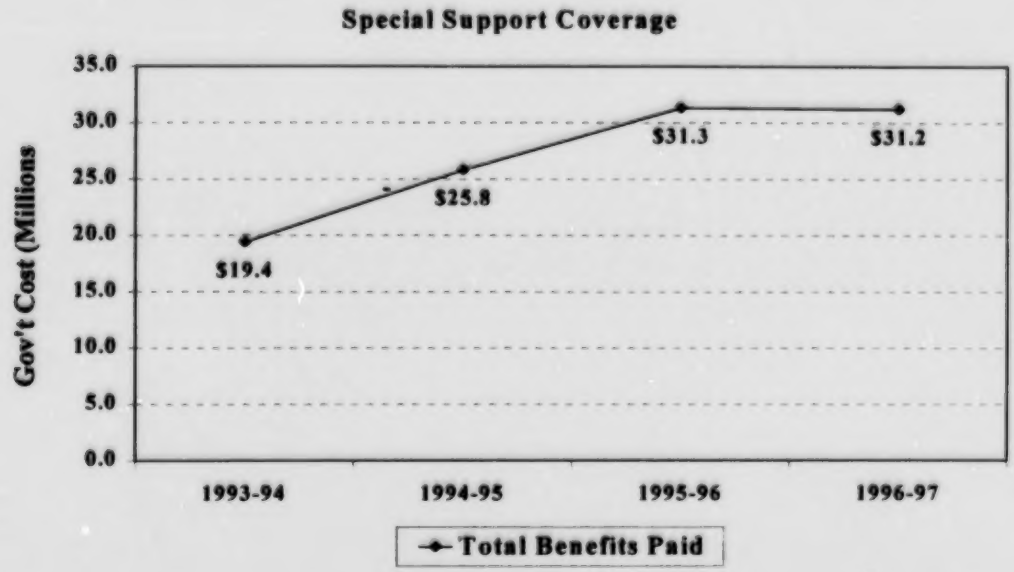
5. Special Support Coverage

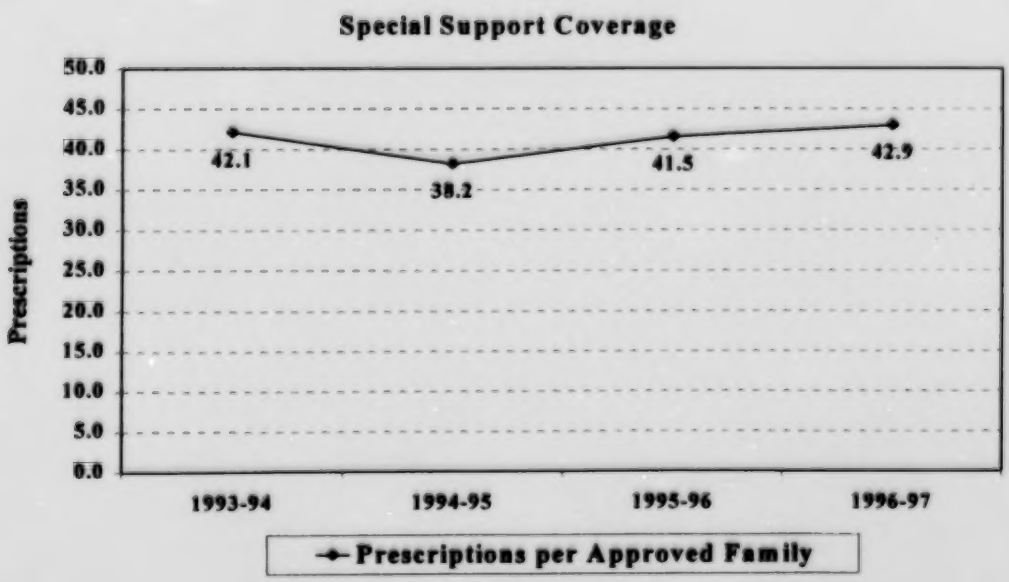
The Special Support program helps **those families whose drug costs are high in relation to their income**. Based on the information provided on the application form along with Drug Plan records, the Drug Plan may lower the deductible and assign the consumer a lower co-payment to spread the costs over the year.

If the annual drug costs exceed 3.4% of the family adjusted income (income after adjusting for the number of dependents), the family may qualify for Special Support. Residents must apply for Special Support as the Drug Plan does not have access to the required information related to income.

Special Support Coverage (Continued)

	1993-94	1994-95	1995-96	1996-97
Number of approved Special Support Families	29,898	39,430	39,373	38,201

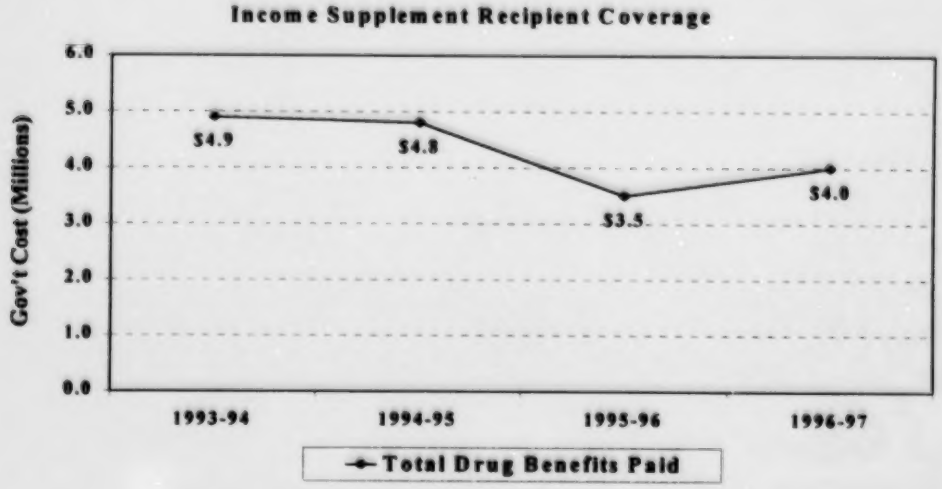


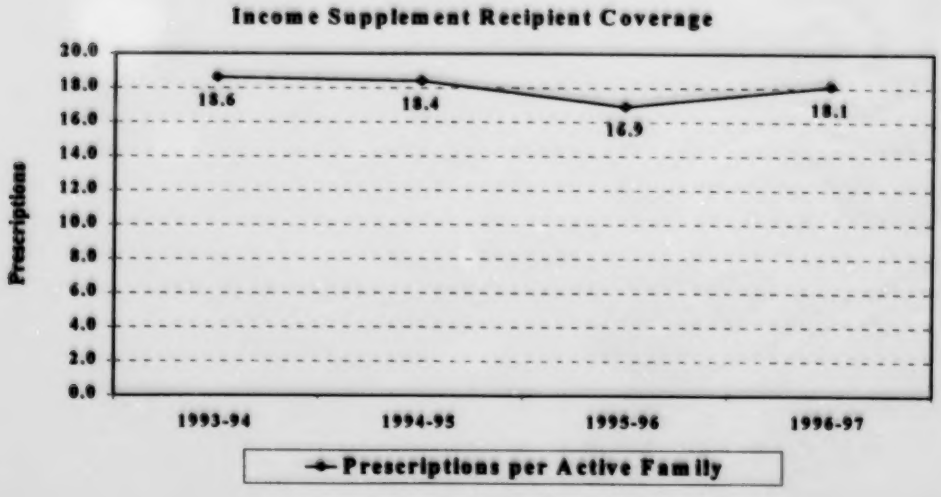


6. Income Supplement Recipients

Families receiving the Family Income Supplement (FIP), single seniors and senior families receiving the Saskatchewan Income Supplement (SIP) or receiving the federal Guaranteed Income Supplement (GIS) and residing in a nursing home have a $100 semi-annual deductible. Other single seniors and senior families receiving GIS have a $200 semi-annual deductible. Any of these families who have high drug costs may also apply for Special Support. Other seniors who have higher incomes and low drug costs pay the regular $850 semi-annual deductible.

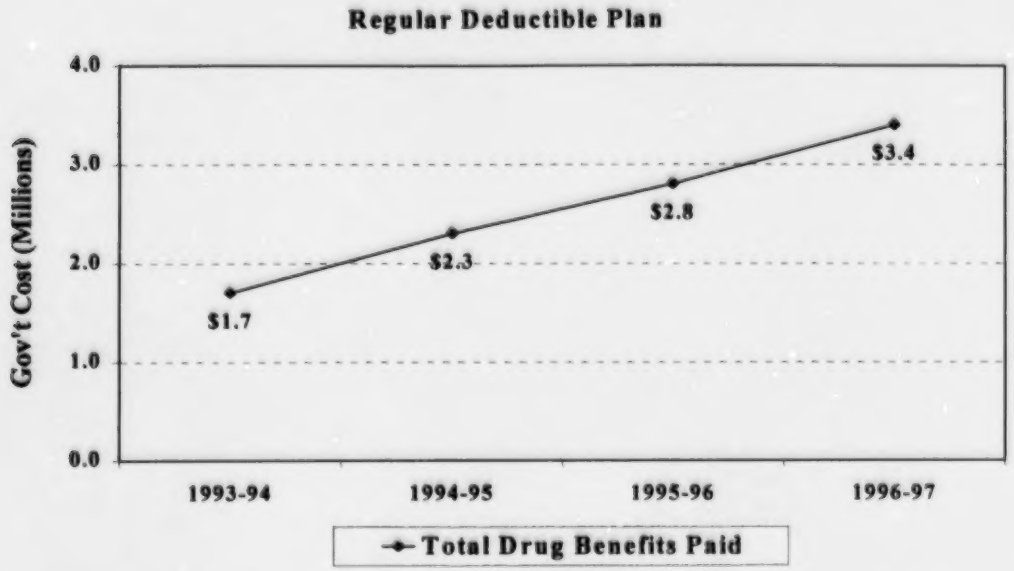
	1993-94	1994-95	1995-96	1996-97
Number of Active Families	34,968	34,387	30,346	30,379

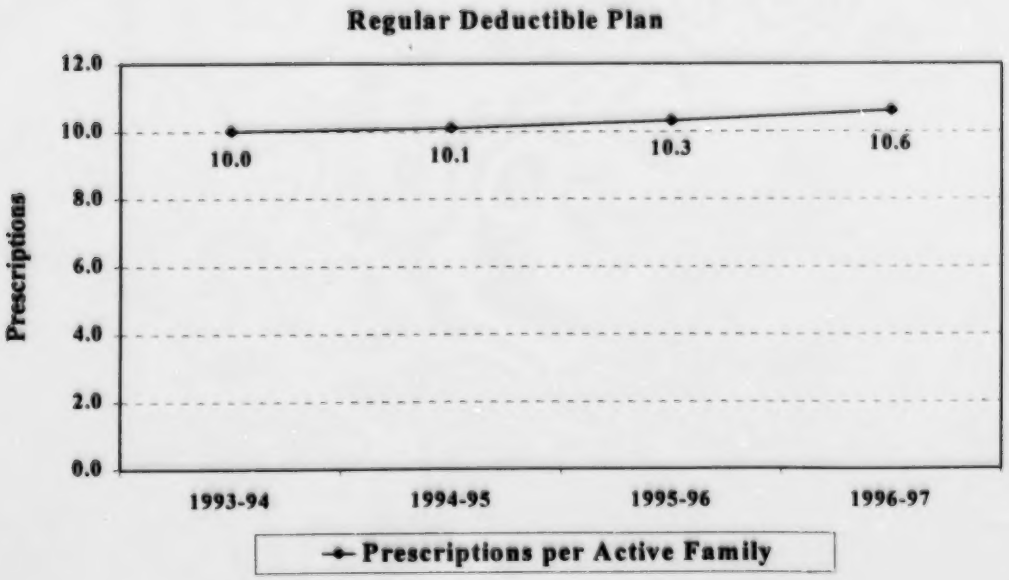




7. Regular Deductible Program

Families who are not eligible for any other Drug Plan coverage have an $850 semi-annual deductible, and pay a 35% co-payment after they have reached their deductible.





Drugs Covered by the Drug Plan

With the exception of insulin and urine and blood testing agents for diabetics, a prescription is required from a physician, dentist or optometrist for all drugs eligible for coverage under the Drug Plan.

The Formulary

The Drug Plan and Extended Benefits Branch prepares, maintains, and distributes the Saskatchewan Formulary. The Formulary is a listing of therapeutically effective drugs of proven high quality that have been approved for coverage under the Drug Plan.

Drugs listed in the Formulary are periodically reviewed and additions and deletions are recommended when necessary. A revised edition of the Formulary is published twice yearly, January 1st and July 1st. The goal of the Formulary is to list a range and variety of drugs that will enable prescribers to select an effective course of therapy for most patients.

Exception Drug Status

Certain drugs are approved for coverage under Exception Drug Status, upon review and recommendation of the Saskatchewan Formulary Committee. The drugs usually fall into one of the following categories:

1. The drug is ordinarily administered only to hospital in-patients but is being administered outside of a hospital because of unusual circumstances.

2. The drug is not ordinarily prescribed or administered in Saskatchewan, but is being prescribed because it is required in the diagnosis or treatment of an illness, disability, or condition rarely found in Saskatchewan.

3. The drug is infrequently used because Formulary products are usually effective, but are contraindicated or found to be ineffective due to the clinical condition of the patient.

4. The drug has been deleted from the Formulary but is required by patients previously stabilized on the drug.

Drugs approved for Exception Drug Status coverage are subject to the same deductible and co-payment as the patient's Formulary drugs, with the exception of certain high cost drugs which are provided at no charge to the patient.

Over-the-Counter Products

Over-the-counter (OTC) products are generally not included as benefits of the Drug Plan.

Saskatchewan Formulary Process

Product Selection

The Minister of Health relies on the recommendations of two supporting committees; the Drug Quality Assessment Committee, and the Saskatchewan Formulary Committee in order to decide which products will be included as benefits.

The Drug Plan and Extended Benefits Branch provides resources and staff support to the Committees in the review of products for listing in the Saskatchewan Formulary. This support includes forecasting drug costs and preparing use/cost analysis reports.

- **Drug Quality Assessment Committee**

  The Drug Quality Assessment Committee (DQAC) is appointed by the Minister of Health to:

  - evaluate manufacturer submissions for consideration for coverage of new drugs and report its findings to the Saskatchewan Formulary Committee.
  - review available manufacturing documentation including clinical documents, scientific studies reports and published literature.
  - evaluate comparative bioavailability studies and/or comparative clinical studies to determine compliance with accepted standards for interchangeability.

- **Saskatchewan Formulary Committee**

  The Saskatchewan Formulary Committee (SFC), appointed by the Minister of Health, has the following functions:

  - recommends to the Minister of Health additions and deletions to the Saskatchewan Formulary. The SFC considers economic information including utilization patterns as well as clinical assessment by the DQAC assessment.
  - provides advice in compiling and maintaining the Saskatchewan Formulary.
  - identifies those products which are "interchangeable". Interchangeable products are different brands of the same drug that are equivalent in therapeutic effectiveness and quality.
  - conducts reviews of new drug products and re-evaluation of listed products based on new information about use, efficacy and cost.

Product Interchangeability and Pricing

One function of the Saskatchewan Formulary Committee is to identify interchangeable drug groups. Interchangeable products are different brands of the same drug with the same strength and dosage form that are equivalent in therapeutic effectiveness and quality.

The Formulary lists two types of interchangeable drug groups; Maximum Allowable Cost, and Standing Offer Contract.

- **Maximum Allowable Cost**

  In order to ensure price stability for the six month Formulary period, the Drug Plan and Extended Benefits Branch requires drug manufacturers to provide guaranteed maximum prices for the period. The Formulary periods are January 1 to June 30 and July1 to December 31 each year. The prices constitute the Maximum Allowable Cost the Drug Plan will allow for those products during the effective Formulary period.

  Any drug in a Maximum Allowable Cost interchangeable group can be used to fill a prescription. The drug cost component in the approved prescription price is the actual acquisition cost of the drug up to the lowest price listed in the Formulary within that interchangeable group.

- **Standing Offer Contract (SOC)**

  The Drug Plan tenders the drugs in certain interchangeable groups to obtain the lowest possible price. An accepted tender, called SOC, requires the manufacturer to guarantee delivery of the specific drug to pharmacies through approved distributors at the contracted price. In return, the manufacturer's product will be used almost exclusively. This tender process, in 1996-97 saved Saskatchewan residents and the Drug Plan approximately $2.0M.

  Only the accepted tendered drug can be used to fill a prescription in an SOC interchangeable group. If a prescription is ordered as "no substitution" for any brand other than the SOC brand listed, the Drug Plan will cover the actual acquisition cost up to the listed SOC unit price. The difference in acquisition cost between the brand dispensed and the cost covered by the Drug Plan is the responsibility of the consumer.

  "No Substitution" Prescription Drug Coverage

  It is recognized that extremely rare cases may exist in which a person is not able to use a particular brand of product. In such cases, the physician may request exemption from full payment of incremental cost when a specific brand of drug in an interchangeable category is found to be essential for a particular patient. There is no provision for "blanket" exemptions. Each request must be patient and product specific.

Product Distribution

Two distribution networks are used to deliver drugs to pharmacies; manufacturers direct to pharmacies, or manufacturers to pharmacies via distributors and Saskatchewan wholesalers.

Encouraging Appropriate Drug Use

The Drug Plan uses a number of activities to encourage appropriate use of drugs:

- Use of the claims processing system to perform various edit and assessment checks.

- Use of Exception Drug Status coverage where drugs are only intended for use in certain circumstances. e.g. products intended for second line use.

- Provides funding support for:
  a) The College of Medicine Drug Evaluation Support - Roving Professorship Program to assist in the drug review process, to provide expert opinions on an ad hoc basis, and to deliver drug information to promote the optimal use of pharmaceuticals in the province.

  b) The College of Pharmacy Dial Access Drug Information Service, a province-wide drug information service for health professionals.

  c) The Consumer Drug Information Service, Canada's first province-wide telephone drug information service for consumers.

  d) The Triplicate Prescription Program operated by the College of Physicians and Surgeons, a two part written prescription to monitor prescribing for a select panel of prescription drugs with intent to reduce abuse and diversion.

  e) A community drug utilization program pilot project in the Saskatoon Health District as an educational resource to assist physicians in selecting the most appropriate and cost-effective drug therapy for their patients.

- Use of the Drug Plan database for internal and external drug use studies, pharmaco-epidemiological studies, and research projects by outside agencies.
  Note: Bibliography of completed studies is available upon request.

- Use of product assurance agreements with drug manufacturers. The Drug Plan monitors use of a particular drug to ensure utilization and health outcomes occur as stated in the manufacturers documentation submitted to the Saskatchewan Formulary Committee. Where that does not occur, an intervention may occur and a financial adjustment may be made against the manufacturer.

- Implementation of the trial prescription program as a joint project with the Saskatchewan Pharmaceutical Association. The pharmacist is encouraged to dispense a seven to ten day supply for the initial prescription of certain drugs, monitor the effect on the patient and if the outcomes are positive, dispense the full prescription as directed by the physician. There is no additional cost to the resident for this service.

Pharmacy Claims Processing

An on-line computer network transmits prescription information from the pharmacy to the central computer where it is checked against stored data to determine whether it can be approved for payment. Checking includes: is the drug a benefit, does the beneficiary have health coverage and the type, is the quantity dispensed within appropriate levels, is the number of prescriptions for the beneficiary within limits, is the prescription a duplicate or possible duplicate of another dispensed prescription, is the prescriber authorized, are the unit costs within limits. The prescription claim is adjudicated and cost information is then transmitted back to the pharmacy, detailing the consumer share and Drug Plan share.

Other activities that are a part of claims processing include: Special Support assessment; reimbursement to beneficiaries for prescriptions purchased out of province; selecting certain approved claims for verification with the beneficiary; and providing assistance to pharmacies and consumers via toll-free telephone lines.

- **Pharmacy Reimbursements**

  At March 31, 1997, there were 356 pharmacies providing Drug Plan eligible services.

  According to the Agreement between Saskatchewan Health and pharmacy proprietors, the prescription cost is calculated by adding the acquisition cost of the drug material, the submitted mark-up and dispensing fee (up to a maximum).

  The maximum dispensing fee is $6.93. The maximum mark-up allowance calculated on the prescription drug cost is: 30% for drug cost up to $6.30, 15% for drug cost between $6.31 and $15.80 and 10% for drug cost of $15.81 and over.

  For urine-testing agents the pharmacy receives acquisition cost along with the mark-up and a 50% mark-up in place of the dispensing fee. For insulin, the pharmacy receives acquisition cost plus a negotiated mark-up.

- **Prescription Quantities**

  The Drug Plan places no limitation on the quantities of drugs that may be prescribed. Prescribers shall exercise their professional judgment in determining the course and duration of treatment for their patients. However, in most cases, the Drug Plan will not pay benefits or credit deductibles for more than a 3-month supply of a drug at one time.

The pharmacist may charge one dispensing fee for each prescription for most drugs listed in the Formulary. If a prescription is for a duration of one month or more, the pharmacist is entitled to charge a dispensing fee for each 34 day supply, however the Agreement does not prohibit the pharmacist from dispensing more than a 34 day supply for one fee. The Agreement also contains a list of Two-Month and 100-day supply drugs. Prescribing and dispensing should be in these quantities once the medical therapy of a patient is in the maintenance stage, unless there are unusual circumstances that require these quantities not be dispensed.

Formulary and EDS Drug Utilization 1996-97

At June 30, 1996, a total of 946,153 individuals, representing 502,356 family units were eligible to receive Drug Plan benefits.

A total of 627,358 individual beneficiaries representing 405,520 family units, purchased eligible prescriptions. This represents 66.3% of eligible individuals.

1. Overall 1996-97 Utilization

Figure 1 compares active Drug Plan beneficiaries to the eligible population and shows the percentage of total prescriptions dispensed to each age group. This shows that the 65+ age group, while 15.4% of the eligible population, represent 19.5% of Drug Plan active beneficiaries, and receive 45.1% of all prescriptions.

Table 2 presents prescription drug utilization by age and sex of the beneficiary. It also shows that drug utilization increases with age, with the larger increases beginning at age 45.

Figure 1
Prescriptions Dispensed by Age Groups, Eligible and Active Beneficiaries

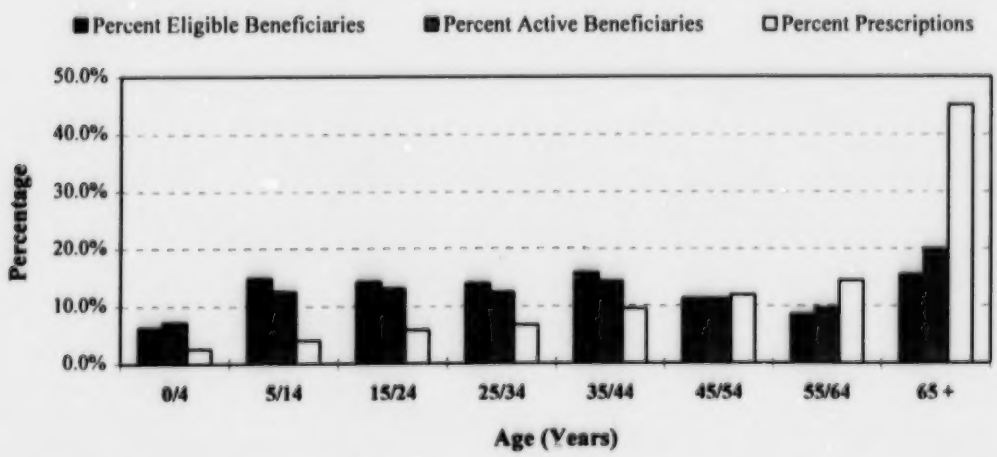


Table 2
Prescription Drug Utilization by Age and Sex of Active Beneficiary

Age of Consumer [5]	Active Beneficiaries	Number of Prescriptions [1]	Drug Material Cost [2]	Dispensing Fee [3]	Total Drug Plan Payment [4]
April 1996 - March 1997 (as submitted for all prescriptions to all beneficiaries)					
Male					
0 - 4	23,398	82,777	$ 748,524	$ 513,683	$ 382,623
5 - 14	39,810	127,618	2,170,667	775,666	1,052,687
15 - 24	33,975	116,865	2,365,687	680,657	1,193,315
25 - 34	30,710	133,847	3,086,713	775,870	1,860,368
35 - 44	39,510	226,900	5,505,679	1,344,710	2,674,017
45 - 54	31,761	284,775	7,418,495	1,676,075	3,156,539
55 - 64	27,287	361,049	9,356,659	2,112,509	4,021,799
65 - 74	27,302	490,373	11,927,950	2,911,910	5,565,098
75 - 84	17,009	370,455	7,918,993	2,286,524	4,037,430
85 and over	6,077	150,083	2,596,606	966,942	1,692,206
Male Total	276,839	2,344,742	$ 53,095,973	$ 14,044,546	$ 25,636,082
Female					
0 - 4	21,720	70,893	$ 703,984	$ 440,559	$ 428,615
5 - 14	38,850	113,245	1,651,470	694,336	781,840
15 - 24	48,170	234,206	4,597,567	1,393,935	1,868,138
25 - 34	47,126	266,980	5,629,855	1,574,204	2,299,291
35 - 44	49,748	341,813	7,500,152	2,036,975	3,359,669
45 - 54	38,656	429,425	8,710,488	2,553,926	3,419,009
55 - 64	32,157	502,865	10,628,129	2,963,176	4,791,790
65 - 74	33,262	652,947	14,302,893	3,944,091	7,110,073
75 - 84	28,058	690,848	13,517,938	4,342,442	8,047,212
85 and over	12,367	348,142	5,561,293	2,277,991	4,121,986
Female Total	350,114	3,651,364	$ 72,803,769	$ 22,221,635	$ 36,227,623
Both Sexes					
0 - 4	45,118	153,670	$ 1,452,508	$ 954,242	$ 811,238
5 - 14	78,660	240,863	3,822,137	1,470,002	1,834,527
15 - 24	82,145	351,071	6,963,254	2,074,592	3,061,453
25 - 34	77,836	400,827	8,716,568	2,350,074	4,159,659
35 - 44	89,258	568,713	13,005,831	3,381,685	6,033,686
45 - 54	70,417	714,200	16,128,983	4,230,001	6,575,548
55 - 64	59,444	863,914	19,984,788	5,075,685	8,813,589
65 - 74	60,564	1,143,320	26,230,843	6,856,001	12,675,171
75 - 84	45,067	1,061,303	21,436,931	6,628,966	12,084,642
85 and over	18,444	498,225	8,157,899	3,244,933	5,814,192
Grand Total	626,953	5,996,106	$ 125,899,742	$ 36,266,181	$ 61,863,705

1 Refers to Formulary and Exception Drug Status drugs.

2 Includes mark-up on drug acquisition cost.

3 The Dispensing fee charged by pharmacy for the prescriptions dispensed.

4 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee; less deductibles, the co-payment, and prescription charges paid by the consumer to the pharmacy.

5 Age of beneficiary as at March 31, 1997.

2. 1996-97 Utilization by Type of Beneficiary

Drug Plan benefits are directed at families with low incomes, families with high drug costs and those with a combination of the two. Table 3 summarizes the beneficiaries into four main groups:

1. beneficiaries approved for a Special Support co-payment;
2. beneficiaries exempt from paying a deductible, who are on Saskatchewan Assistance Plan (SAP), S.A.I.L. beneficiaries, palliative care, and certain drugs;
3. beneficiaries approved for Income Supplement under Family Income Plan (FIP), Saskatchewan Income Plan (SIP), and Guaranteed Income Supplement (GIS);
4. beneficiaries under the $850 semi-annual deductible.

Table 3
Prescription Drug Utilization by Over/Under 65

April 1996 - March 1997

Type of Beneficiary	Active Beneficiaries	Number of Prescriptions [1]	Payment Patient Paid	Average Cost to Patient	Drug Plan Payment [2]	Average Cost to Drug Plan
Beneficiaries approved under Special Support Program						
Under 65	25,482	473,825	$ 6,183,253	$ 242.65	$ 9,989,342	$ 392.02
65 and over	31,275	1,165,688	13,128,945	$ 419.79	21,182,765	$ 677.31
Sub-Total	56,757	1,639,513	$ 19,312,198	$ 340.26	$ 31,172,107	$ 549.22
Beneficiaries exempt from paying a Deductible (e.g. SAP, SAIL, Palliative Care)						
Under 65	57,329	565,708	$ 527,736	$ 9.21	$ 19,252,713	$ 335.83
65 and over	4,469	138,435	22,252	$ 4.98	4,027,569	$ 901.22
Sub-Total	61,798	704,143	$ 549,987	$ 8.90	$ 23,280,282	$ 376.72
Beneficiaries receiving Income Supplements (FIP, SIP, & GIS not covered under Special Support)						
Under 65	6,028	43,938	$ 726,389	$ 120.50	$ 261,729	$ 43.42
65 and over	61,192	507,235	7,451,129	$ 121.77	3,765,527	$ 61.54
Sub-Total	67,220	551,173	$ 8,177,518	$ 121.65	$ 4,027,256	$ 59.91
Beneficiaries under Regular Deductible Program (not eligible for any other Drug Plan coverage)						
Under 65	414,039	2,209,787	$ 50,878,534	$ 122.88	$ 1,785,917	$ 4.31
65 and over	27,139	891,490	21,371,222	$ 787.47	1,598,143	$ 58.89
Sub-Total	441,178	3,101,277	$ 72,249,757	$ 163.77	$ 3,384,060	$ 7.67
Grand Total	626,953	5,996,106	$ 100,289,460		$ 61,863,705	

1 Refers to Formulary and Exception Drug Status drugs.

2 Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee; less deductibles, the co-payment, and prescription charges paid by the consumer to the pharmacy.

3. 1996-97 Utilization by Families

Tables 4, 5, and 6 show the breakdown of prescription utilization, family cost, and government cost for all families using one or more prescriptions in the fiscal year by three categories of families:

1. Families that applied for Special Support and were granted a reduced co-payment because their annual drug costs exceeded 3.4% of their annual family income;

2. Families exempt from the deductible program. (e.g. Saskatchewan Assistance Plan families, S.A.I.L. beneficiaries, Palliative Care);

3. Families that reached a deductible before a reduced co-payment was granted.

In 'Families Approved under the Special Support Program' (Table 4), 38,201 families who had high drug costs in relation to their income received $31.2 million in benefits, which equals an average payment of $816 per family.

In 'Families Exempt from the Deductible Program' (Table 5), the average payment on behalf of each active family was $534.15.

In 'Families Under the Deductible Program' (Table 6), the average payment on behalf of each active family was $22.89. Families included in this table are:

- Those that have a $100 semi-annual deductible because they receive the Family Income Supplement (FIP), are single seniors and senior families receiving the Saskatchewan Income Supplement (SIP), or are receiving the federal Guaranteed Income Supplement (GIS) and residing in a nursing home.

- Those that have a $200 semi-annual deductible because they receive GIS.

- Those that are not eligible for any other Drug Plan coverage and must reach a $850 semi-annual deductible.

Table 4
Prescription Cost to Families Approved Under Special Support Program

April 1996 - March 1997

Cost to Family Unit	Number of Family Units	Number of Prescriptions [1]	Drug Material Cost [2]	Approved Prescription Cost	Net Family Payments [3]	Total Drug Plan Payment
$ 00.01 - 25.00	1,337	5,759	$ 87,270	$ 122,450	$ 13,265	$ 109,185
25.01 - 50.00	881	8,484	172,080	223,699	32,826	190,873
50.01 - 75.00	764	9,711	203,245	261,725	47,809	213,916
75.01 - 100.00	815	12,845	286,549	362,233	71,116	291,117
100.01 - 125.00	733	12,641	278,264	355,257	82,518	272,739
125.01 - 150.00	798	15,078	333,174	423,608	109,372	314,236
150.01 - 175.00	815	18,105	384,345	493,766	132,862	360,904
175.01 - 200.00	881	20,600	437,761	562,139	165,393	396,746
200.01 - 250.00	1,867	50,282	1,032,837	1,340,096	421,203	918,893
250.01 - 300.00	2,375	75,492	1,554,106	2,020,050	654,091	1,365,959
300.01 - 350.00	2,725	100,043	2,039,439	2,660,292	887,483	1,772,809
350.01 - 400.00	2,943	118,136	2,504,674	3,247,614	1,103,928	2,143,686
400.01 - 450.00	2,779	120,478	2,686,626	3,431,112	1,181,423	2,249,689
450.01 - 500.00	2,481	113,316	2,622,308	3,327,434	1,178,512	2,148,922
500.01 - 600.00	3,887	193,434	4,639,460	5,833,348	2,129,465	3,703,883
600.01 - 725.00	3,695	205,655	5,210,170	6,485,863	2,431,350	4,054,513
725.01 - 850.00	2,565	154,241	4,049,028	4,989,996	2,013,107	2,976,889
850.01 - 1000.00	2,185	139,961	3,871,986	4,719,561	2,012,316	2,707,245
1000.01 - 1250.00	2,140	144,772	4,213,863	5,076,881	2,378,196	2,698,685
1250.01 - and over	1,535	120,480	3,831,756	4,547,181	2,265,963	2,281,218
All	38,201	1,639,513	$ 40,438,941	$ 50,484,305	$ 19,312,198	$ 31,172,107

1 Refers to Formulary and Exception Drug Status drugs.

2 Includes mark-up on drug acquisition cost.

3 Net Family Payments is the total cost paid by families granted a reduced co-payment.

Table 5
Prescription Cost to Families Exempt from paying a Deductible

April 1996 - March 1997

Cost to Family Unit	Number of Family Units	Number of Prescriptions [1]	Drug Material Cost [2]	Approved Prescription Cost	Net Family Payments [3]	Total Drug Plan Payment
$ 0	16,806	319,734	$ 11,515,923	$ 13,525,231	$ (84)	$ 13,525,315
00.01 - 25.00	20,347	154,512	2,591,265	3,546,459	163,448	3,383,011
25.01 - 50.00	3,538	82,040	1,733,434	2,242,789	126,721	2,116,068
50.01 - 75.00	1,352	49,182	1,194,178	1,501,989	83,200	1,418,789
75.01 - 100.00	767	37,854	922,690	1,162,382	66,445	1,095,937
100.01 - 125.00	346	21,748	500,606	637,443	38,590	598,853
125.01 - 150.00	205	15,597	397,728	500,188	27,947	472,241
150.01 - 175.00	97	8,626	200,482	255,317	15,782	239,535
175.01 - 200.00	56	5,663	137,243	173,897	10,480	163,417
200.01 - 250.00	46	5,431	127,693	163,384	10,235	153,149
250.01 - 300.00	17	2,423	75,954	91,159	4,649	86,510
300.01 - 350.00	3	526	11,006	13,989	960	13,029
350.01 and over	4	807	10,494	16,042	1,614	14,428
All	43,584	704,143	$ 19,418,696	$ 23,830,269	$ 549,987	$ 23,280,282

1 Refers to Formulary and Exception Drug Status drugs.

2 Includes mark-up on drug acquisition cost.

3 Refers to the maximum $2 per prescription charge paid by the family.

Table 6
Prescription Cost to Families Under a Deductible Program [4]

April 1996 - March 1997

Cost to Family Unit	Number of Family Units	Number of Prescriptions [1]	Drug Material Cost [2]	Approved Prescription Cost	Net Family Payments [3]	Total Drug Plan Payment
$ 00.01 - 25.00	56,423	71,261	$ 383,872	$ 813,984	$ 807,507	$ 6,477
25.01 - 50.00	43,295	113,239	905,188	1,591,780	1,576,895	14,885
50.01 - 75.00	28,643	119,246	1,070,178	1,787,595	1,773,491	14,104
75.01 - 100.00	21,309	119,092	1,157,567	1,874,057	1,858,272	15,785
100.01 - 125.00	17,359	119,725	1,245,918	1,962,378	1,944,776	17,602
125.01 - 150.00	14,613	116,599	1,328,844	2,027,650	2,003,702	23,948
150.01 - 175.00	12,904	118,368	1,422,871	2,128,124	2,095,154	32,970
175.01 - 200.00	11,714	118,205	1,530,127	2,233,096	2,194,384	38,712
200.01 - 250.00	19,926	230,689	3,191,113	4,581,657	4,462,414	119,243
250.01 - 300.00	14,738	209,603	2,956,524	4,222,911	4,034,710	188,201
300.01 - 350.00	11,302	186,862	2,791,103	3,916,675	3,665,919	250,756
350.01 - 400.00	9,519	175,714	2,810,067	3,859,104	3,562,659	296,445
400.01 - 450.00	8,111	166,458	2,781,610	3,777,063	3,439,153	337,910
450.01 - 500.00	6,747	148,665	2,656,587	3,545,659	3,201,277	344,382
500.01 - 600.00	10,589	261,962	4,902,678	6,462,226	5,794,865	667,361
600.01 - 725.00	9,516	263,433	5,378,366	6,942,405	6,267,375	675,030
725.01 - 850.00	6,663	205,152	4,554,253	5,772,033	5,226,060	545,973
850.01 - 1000.00	5,648	191,887	4,494,326	5,627,184	5,199,417	427,767
1000.01 - 1250.00	5,824	225,832	5,611,227	6,939,312	6,484,540	454,772
1250.01 - and over	8,892	490,458	14,869,686	17,773,698	14,834,705	2,938,993
All	323,735	3,652,450	$ 66,042,105	$ 87,838,591	$ 80,427,275	$ 7,411,316

1 Refers to Formulary and Exception Drug Status drugs.

2 Includes mark-up on drug acquisition cost.

3 Net Family Payments is the net cost to a family for the total of the deductible and the family co-payment once the deductible has been met.

4 Includes beneficiaries receiving Income Supplements and beneficiaries under the Regular Deductible program, who are not approved under the Special Support Program.

4. 1996-97 Utilization by Pharmacologic - Therapeutic Classification

Table 7 shows prescription volume and Drug Plan expenditures by Pharmacologic - Therapeutic Classification. Four categories; Central Nervous System (CNS) Drugs, Anti Infectives, Cardiovascular Drugs and Hormones and Substitutes, accounted for 70.2% of all prescriptions and 62.5% of all Drug Plan payment.

Table 7
Prescriptions by Pharmacologic - Therapeutic Classification

Pharmacologic - Therapeutic Classification [1]	Number of Prescriptions [2]	Drug Material Cost [3]	Total Drug Plan Payment
April 1996 - March 1997			
As submitted for all beneficiaries			
8:00 Anti-Infectives	801,798	$ 7,903,358	$ 3,467,702
12:00 Autonomic Drugs	240,017	4,548,337	2,922,324
20:00 Blood Formation and Coagulation	85,327	2,447,492	1,356,676
24:00 Cardiovascular Drugs	1,342,195	38,379,490	16,045,213
28:00 Central Nervous System Drugs	1,166,942	22,472,424	13,296,492
36:00 Diagnostic Agents	62,382	3,471,497	1,718,750
40:00 Electrolytic, Caloric, and Water Balance	352,144	1,078,501	1,349,476
48:00 Cough Preparations	421	222,224	221,234
52:00 Eye, Ear, Nose and Throat Preparations	225,559	3,979,141	1,268,410
56:00 Gastrointestinal Drugs	342,303	12,058,553	6,258,512
60:00 Gold Compounds	839	48,814	21,829
64:00 Metal Antagonists	834	103,908	84,126
68:00 Hormones and Substitutes	898,517	16,434,215	5,858,312
76:00 Oxytocics	197	828	374
84:00 Skin and Mucous Membrane Preparation	222,725	3,972,762	1,719,418
86:00 Spasmolytics	40,550	757,463	484,163
88:00 Vitamins	43,515	175,613	166,531
92:00 Unclassified	169,841	7,845,122	5,624,163
Total	5,996,106	$ 125,899,742	$ 61,863,705

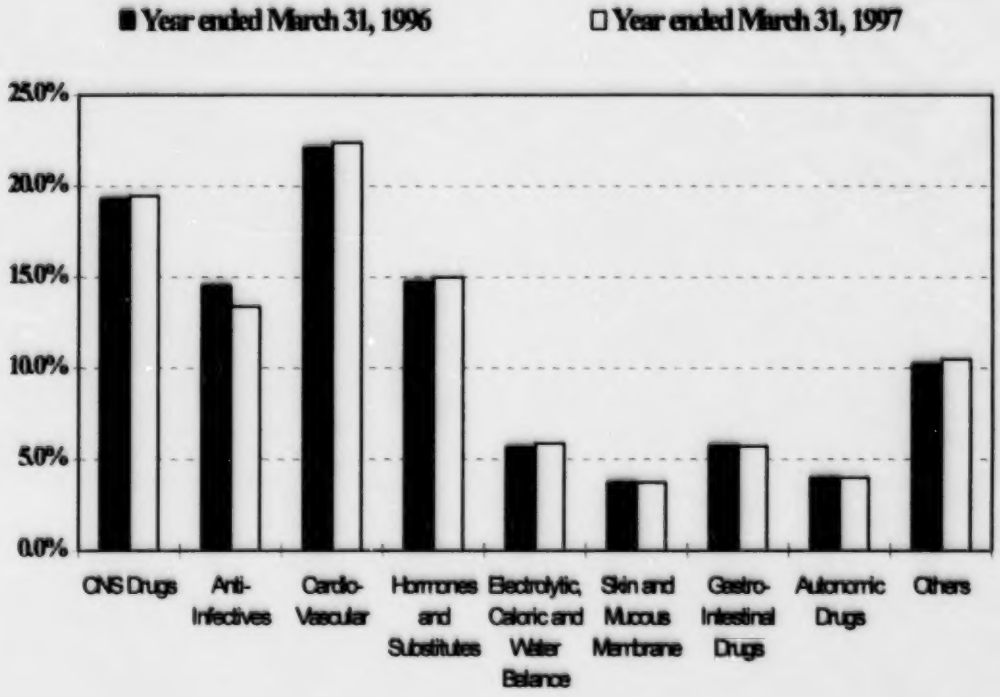
1 The drug classification system used is that of the American Society of Hospital Pharmacists.

2 Refers to Formulary and Exception Drug Status drugs.

3 Includes Mark-up on drug acquisition cost.

Figure 2 shows the Table 7 prescription volume by Pharmacologic – Therapeutic Classification.

Figure 2
Prescription Volume by Pharmacologic - Therapeutic Classification



Pharmacies

A total of 356 pharmacies held agreements with Drug Plan & Extended Benefits Branch on March 31, 1997. Of these, 62.4% were independent pharmacies, 28.7% were chain outlets, and 5.6% were co-operative.

The location of the pharmacies is shown on Table 8 and the type of pharmacy ownership is shown on Table 9.

Table 8

Pharmacies by Location

April 1996 - March 1997

Location of Pharmacy	Number of Pharmacies[1]
Single Pharmacy Communities	92
2 - 5 Pharmacy Communities	73
Communities with More Than 5 Pharmacies	
Estevan	6
Moose Jaw	12
North Battleford	8
Prince Albert	15
Regina	52
Saskatoon	63
Swift Current	6
Yorkton	8
Dispensing Doctors	8
Border Pharmacies	13
Total	356

1 Includes all pharmacies operating under agreement with the Prescription Drug Plan on March 31, 1997.

Table 9

Pharmacies by Type of Ownership

Type of Ownership	Number of Pharmacies[1]	Percent
Independent	222	62.4%
Chain[2]	102	28.7%
Co-operatives	20	5.6%
Dispensing Doctor	8	2.2%
Hospital Outpatient	4	1.1%
Total	356	100.0%

1 Includes all pharmacies operating under agreement with the Prescription Drug Plan on March 31, 1997.

2 Defined as common ownership of four or more stores.

Manufacturers

Drug Acquisition Cost by manufacturer is presented in Table 10.

Table 10
Drug Acquisition Cost by Manufacturer

April 1996 - March 1997

Manufacturer	Drug Material Acquistion Cost
3M Pharmaceuticals, 3M Canada	$ 39,113
Abbott Laboratories Ltd.	2,370,655
Albert Pharma Inc.	194,904
Alcon Canada Inc.	299,611
Allergan Pharmaceuticals	450,198
Amgen Canada Inc.	14,918
Apotex Inc.	6,483,210
Astra Pharma Inc.	2,522,033
Axcan Pharma	111,280
Baker Cummins Inc.	9,717
Bayer Inc. - Healthcare Division	2,169,785
Berlex Canada Inc.	209,370
Boehringer Ingelheim (Canada) Ltd.	1,201,347
Boehringer Manheim Canada	347,331
Bristol Pharmaceutical Products - Bristol-Myers Squibb	295,705
Bristol-Myers Squibb Canada Inc.	3,161,662
Canderm Pharmacal Ltd.	11,112
Carter-Horner Inc.	21,073
CIBA Pharmaceuticals, Division of Ciba-Geigy Canada Ltd.	2,016,127
CIBA Vision	77,448
CIBA-Geigy, Self Medication Products	7,911
Cytex Pharmaceuticals Inc.	24,350
Dermik Laboratories Canada Inc.	36,881
Diagnostic Division, Bayer Corp.	376,384
Dioptic Laboratories, Division of Akorn Pharmaceuticals Can. Ltd.	17,235
Dominion Pharmacal	522,229
Draxis Health Inc.	80,948
DuPont Pharma	2,000,190
Duchesnay Inc.	78,284
Eli Lilly Canada Inc.	2,836,346
Endo Canada , Div. Du Pont Merck Pharm Inc.	56,161
Enz	118,399
Faulding (Canada) Inc.	257,400
Ferring Inc.	117,715
Fisons Corporation Ltd.	215,072
Fournier Pharma Inc.	42,223
Frosst, Division of Merck Frosst Canada Inc.	4,474,557
Fujisawa Canada Inc.	16,421

Manufacturer	Drug Material Acquistion Cost
Galderma Canada Inc.	64,871
Geigy Pharmaceuticals, Division of Ciba-Geigy Canada Ltd.	557,198
Genpharm Inc.	1,584,406
Glaxo Wellcome Inc.	5,929,193
Glenwood Labs (Canada) Ltd.	10,317
Hoechst Marion Roussel Canada Inc.	5,788,401
Hoffman-La Roche Ltd.	2,467,526
ICN Canada Ltd.	325,344
Janssen-Ortho Inc.	3,028,496
Jouveinal Inc.	111,727
Kenral Inc.	1,513,354
Key Pharmaceuticals, Division of Schering Canada	530,828
Knoll Pharma Inc.	410,351
Lee-Adams Laboratories, Division of Pharmascience Inc.	7,641
Leo Laboratories Canada Ltd.	223,266
Lifescan Canada Ltd.	1,772,604
Linson Pharma Inc.	214,635
Lundbeck Canada Inc.	156,894
McNeil Consumer Products Company	22,670
Medican Pharma Inc.	1,631,370
Medisense, Canada Inc.	656,843
Merck Sharp & Dohme Canada Ltd.	3,863,430
Lab Nadeau Ltee., Division of Rougier Desbergers	5,147
Novo Nordisk Canada Inc.	707,246
Novopharm Ltd.	4,177,923
Nu-Pharm Inc.	9,887,527
Organon Canada Ltd.	291,335
Organon Teknika Canada Inc.	9,876
Ortho-McNeil Inc.	1,878,069
Parke-Davis Canada Inc.	1,914,776
Pfizer Canada Inc.	2,774,714
Pharmacia & Upjohn Inc.	498,705
Pharmacia Inc.	14,806
Pharmascience Inc.	1,584,099
Princeton Pharmaceutical Products, Bristol-Myers Squibb	11,028
Procter and Gamble Pharm. Canada, Inc.	1,343,901
Purdue Frederick Inc.	830,200
Reed & Carnrick, Block Drug Co.	24,615
Rhodiapharm	253,178
Rhone-Poulenc Rorer, Ethical Division	755,086
Roberts Pharmaceutical of Canada Inc.	246,569
Rougier Desbergers Inc.	17,453
Sabex Inc.	30,433
Sandoz Canada Inc.	3,731,279
Sanofi Winthrop Canada Inc.	442,377

Manufacturer	Drug Material Acquistion Cost
Schein Pharmaceuticals Canada Inc.	152,435
Schering Canada Inc.	1,342,985
Searle Canada Inc.	2,522,150
Servier Canada Inc.	101,586
Smithkline Beecham Pharma Inc.	2,289,271
Solvay-Kingswood Inc.	952,580
Stanley Pharmaceuticals Ltd.	49,283
Stiefel Canada Inc.	149,459
Syncare Pharmaceutical Inc.	40,089
Taro Pharmaceuticals Inc.	1,501,499
Technilab Inc.	360,450
The Upjohn Company of Canada	467,329
Trans Canaderm Inc.	15,779
Westwood Squibb Pharmaceuticals	132,939
Wyeth-Ayerst Inc.	4,432,003
Zeneca Pharma Inc.	1,973,685
Extemporaneous Preparations [1]	721,777
Others (each under $5000)	13,942
Total	$ 112,806,258

1 Extemporaneous Preparations are compounded by the pharmacist.

1996-97 Utilization Trends

1. Cost to Beneficiaries

Trends from Table 11 information for the past three years shows that the number of active beneficiaries are declining while the number of prescriptions and total prescription cost is increasing.

	Active Beneficiaries	Number of Prescriptions	Total Cost of Prescriptions	Total Drug Plan Payment
1994-95	649,927	5,671,786	$148,076,423	$52,425,180
1995-96	633,333	5,798,090	$157,194,207	$59,492,033
1996-97	626,953	5,996,106	$162,165,923	$61,863,705

Table 11 was prepared to highlight three factors that might contribute to the increased growth: number of prescriptions per beneficiary; average prescription cost; and cost of prescriptions per beneficiary.

In Table 11, the total cost of prescriptions per active beneficiary has grown an average of 13.5% between 1994-95 and 1996-97 for all beneficiaries. The range of increases, based on age, was 5.9% to 14.3%. Only the 0-4 age group showed a reduction in the total cost of prescriptions per active beneficiary. That reduction was 2.6%.

The reasons for the increased cost of prescriptions per beneficiary changed with age:

- For ages 5-24, the increase was mainly a result of increased average prescription cost.
- For ages 25-54, the increase was a result of increased average prescription cost and the increased number of prescriptions per beneficiary.
- For ages over 54, the increase was mainly a result of increased number of prescriptions per beneficiary.

Table 11
Prescription Drug Utilization Trend by Age of Active Beneficiary
Information Source: Table 2

Age of Consumer	1994-95	1995-96	1996-97	% increase (decrease) 94-95 to 96-97
April 1- March 31				
Average Number of Prescriptions Per Active Beneficiary				
0 - 4	3.7	3.6	3.4	(7.3%)
5 - 14	3.1	3.1	3.1	(0.9%)
15 - 24	4.2	4.2	4.3	1.3%
25 - 34	4.9	5.0	5.1	4.5%
35 - 44	6.0	6.2	6.4	7.0%
45 - 54	9.5	9.9	10.1	6.4%
55 - 64	13.5	14.1	14.5	8.0%
65 - 74	17.5	18.2	18.9	7.9%
75 - 84	21.8	22.6	23.5	8.2%
85 and over	25.5	26.2	27.0	6.0%
Total	8.7	9.2	9.6	9.6%
Average Prescription Cost [1]				
0 - 4	$ 14.91	$ 15.02	$ 15.66	5.0%
5 - 14	20.55	21.72	21.97	6.9%
15 - 24	23.88	25.25	25.74	7.8%
25 - 34	25.59	27.29	27.61	7.9%
35 - 44	26.98	28.52	28.82	6.8%
45 - 54	27.67	28.74	28.51	3.0%
55 - 64	28.61	29.43	29.01	1.4%
65 - 74	28.52	29.13	28.94	1.5%
75 - 84	26.09	26.90	26.44	1.3%
85 and over	22.75	23.17	22.89	0.6%
Total	$ 26.11	$ 27.11	$ 27.05	3.6%
Total Cost of Prescriptions Per Active Beneficiary				
0 - 4	$ 54.77	$ 53.49	$ 53.34	(2.6%)
5 - 14	63.52	66.49	67.28	5.9%
15 - 24	100.77	106.73	110.02	9.2%
25 - 34	126.11	136.31	142.18	12.7%
35 - 44	160.58	176.42	183.60	14.3%
45 - 54	263.71	283.60	289.12	9.6%
55 - 64	385.01	414.31	421.58	9.5%
65 - 74	499.05	530.35	546.31	9.5%
75 - 84	568.07	608.23	622.76	9.6%
85 and over	579.81	607.43	618.24	6.6%
Total	$ 227.84	$ 248.20	$ 258.66	13.5%

1 Includes Drug Acquisition Cost, mark-up and dispensing fees paid to pharmcies.

2. Costs by Therapeutic Classification

Table 12 shows the eight highest cost therapeutic classes of drugs covered by the Drug Plan.

During the three-year period of 1994-95 to 1996-97, the total cost of all prescriptions increased in all classes except for Anti-Infectives.

The total cost of the Anti-Infective prescriptions declined as a result of a 14.4% decrease in the number of these prescriptions.

Except for Anti-Infectives, the 'total cost of all prescriptions' for each of the other classes increased in the range of 7% to 16% over the three-year period for the following reasons:

- The increase for Central Nervous System (CNS) drugs was due to a combination of a 6% increase in average prescription cost and a 9.5% increase in the number of prescriptions.

- The increase for Skin and Mucous Membrane Preparations was a result of the almost 20% increase in average prescription cost. The number of prescriptions declined almost 3%.

- The increase for the remaining seven classes was mainly due to the number of prescriptions increasing from 7.3% to 14%.

Table 12
Prescription Trend by Pharmacologic - Therapeutic Classification

Pharmacologic - Therapeutic Class	1994-95	1995-96	1996-97	% increase (decrease) 94-95 to 96-97
April 1- March 31				
Total Cost of all Prescriptions				
Anti-Infectives	$ 13,877,049	$ 13,225,758	$ 12,912,993	(6.9%)
Central Nervous System Drugs	25,597,565	29,107,166	29,722,376	16.1%
Skin & Mucous Membrane Preparations	4,595,279	4,987,702	5,343,130	16.3%
Electrolytic, Caloric, and Water Balance	2,974,764	3,164,634	3,313,064	11.4%
Cardiovascular Drugs	42,174,631	45,146,984	46,659,267	10.6%
Gastrointestinal Drugs	13,101,201	14,052,831	14,181,517	8.2%
Hormones and Substitutes	19,594,718	20,140,387	21,031,978	7.3%
Autonomic Drugs	5,635,183	5,852,646	6,041,256	7.2%
Others	20,526,033	21,516,099	22,960,342	11.9%
Total	$ 148,076,423	$ 157,194,207	$ 162,165,923	9.5%
Number of Prescriptions				
Anti-Infectives	936,699	843,259	801,798	(14.4%)
Central Nervous System Drugs	1,065,317	1,119,573	1,166,942	9.5%
Skin & Mucous Membrane Preparations	229,253	215,472	222,725	(2.8%)
Electrolytic, Caloric, and Water Balance	308,904	328,858	352,144	14.0%
Cardiovascular Drugs	1,216,724	1,280,881	1,342,195	10.3%
Gastrointestinal Drugs	318,916	331,979	342,303	7.3%
Hormones and Substitutes	807,794	854,091	898,517	11.2%
Autonomic Drugs	219,568	230,983	240,017	9.3%
Others	568,611	592,994	629,465	10.7%
Total	5,671,786	5,798,090	5,996,106	5.7%
Average Prescription Cost				
Anti-Infectives	$ 14.81	$ 15.68	$ 16.11	8.7%
Central Nervous System Drugs	24.03	26.00	25.47	6.0%
Skin & Mucous Membrane Preparations	20.04	23.15	23.99	19.7%
Electrolytic, Caloric, and Water Balance	9.63	9.62	9.41	(2.3%)
Cardiovascular Drugs	34.66	35.25	34.76	0.3%
Gastrointestinal Drugs	41.08	42.33	41.43	0.9%
Hormones and Substitutes	24.26	23.58	23.41	(3.5%)
Autonomic Drugs	25.66	25.34	25.17	(1.9%)
Others	36.10	36.28	36.48	1.0%
Total	$ 26.11	$ 27.11	$ 27.05	3.6%

Table 13
Prescription Drug Plan Payments Summary

Statistical Tables

Payments on behalf of families (exempt from deductible program)		
Drug Material Acquisition Cost	$ 17,436,986	
Mark-up	1,981,710	
Dispensing Fee Subsidy	3,864,962	
Pharmacy Discounts	(3,376)	
Total Payments for families exempt from deductible		$ 23,280,282
Payments to or on behalf of families (deductible and Special Support program)		
Drug Material Acquisition Cost	$ 95,369,272	
Mark-up	11,111,774	
Dispensing Fees	31,851,232	
Pharmacy Discounts	(9,382)	
Total Approved Prescription Cost	$ 138,322,896	
Less: Deductible Credits	66,912,592	
	$ 71,410,304	
Less: Family Co-Payment	32,826,881	
Total Payments for families subject to deductible		$ 38,583,423
Total Prescription Drug Plan Payments [1]		$ 61,863,705
Manual Adjustments [2]		57,691
Net Payments by Revenue and Expenditure System		$ 61,921,396

1 Drug Plan payments refer to formulary drugs and exception status drugs. All Statistical Tables do not reflect manual adjustment expenditures.

2 Manual adjustments include year-end adjustments made in accordance with accounting policies and other adjustments.

Supplementary Health

BACKGROUND

- On April 1, 1966 the Saskatchewan Assistance Plan was instituted. Several categories of beneficiaries under the Medical Services Division were combined into one program with the basis of need becoming the criteria to determine eligibility.

- On September 1, 1968, coverage for refractions was moved to the Saskatchewan Medical Care Insurance.

- On September 1, 1975, payment responsibility of formulary drugs and of prosthetic and orthotic appliances for Social Assistance beneficiaries was taken over by the Saskatchewan Prescription Drug Plan and by the Saskatchewan Aids to Independent Living respectively.

- On July 1, 1981, program eligibility was expanded to include benefits for non-recipients of Social Assistance receiving level 2,3,and 4 Special Care Home or long term hospital care and where incomes are at or below the Saskatchewan Income Plan level.

- On May 1, 1984, responsibility for emergency medical transportation costs by road ambulance and Saskatchewan Government air ambulance for Supplementary Health beneficiaries was transferred from the Department of Social Services.

- On June 1, 1992, eye examinations were added to coverage for Supplementary Health beneficiaries over the age of 17, and for adults receiving the Family Income Plan and the Saskatchewan Income Plan supplements.

- On September 8, 1992, services of chiropractors became fully covered for Supplementary Health, Family Income Plan, and Saskatchewan Income Plan beneficiaries.

- On June 30, 1993, Supplementary Health began providing dental coverage for children in families that received the Family Income Plan supplement. This was expanded to cover all Supplementary Health Benefits for children in FIP families in May 1997.

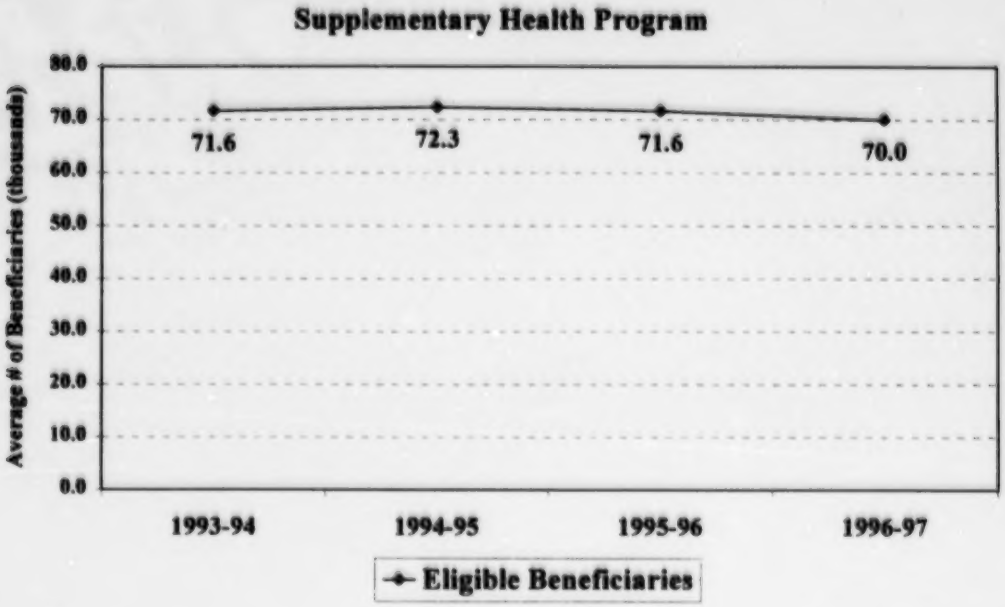
OBJECTIVES

To provide for payment of accounts for non-insured health services to people nominated for coverage by Saskatchewan Social Services.

ELIGIBLE BENEFICIARIES

The Supplementary Health program provides benefits for the following types of beneficiaries:

- Supplementary Health beneficiaries:
  - Saskatchewan Assistance Plan recipients nominated by Saskatchewan Social Services.
  - Government Wards
  - Inmates of correctional institutions.
  - Nominated persons 65 years and older who are receiving Level 2, 3 or 4 care in special care homes or hospitals and whose income is at or below the Saskatchewan Income Plan level.
- Family Income Plan recipients.
- Saskatchewan Income Plan recipients living in the community.



The above chart shows the number of persons receiving full Supplementary Health benefits. Adults receiving FIP or SIP income supplements receive only partial Supplementary Health benefits and are not included in the numbers above.

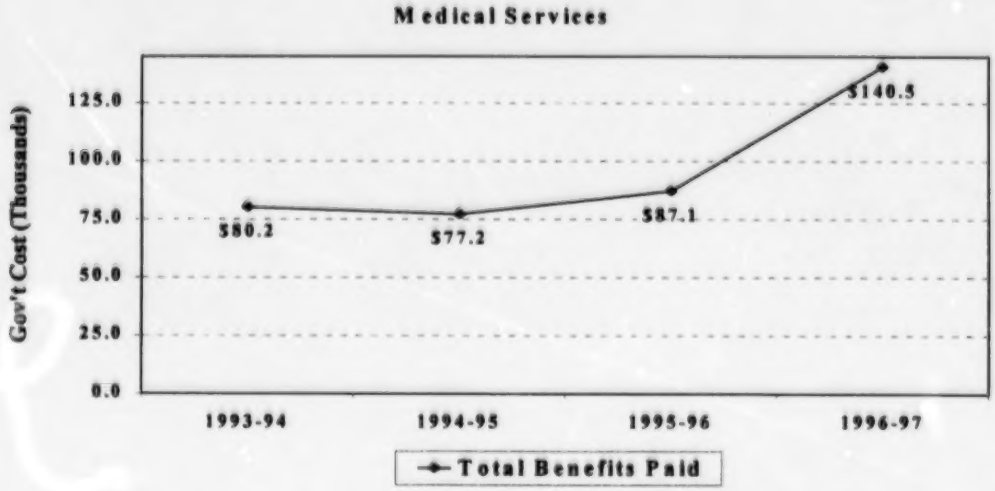
Table 14
Supplementary Health Program Payments

April 1996 - March 1997

Services	Sask. Assistance Plan	Government Wards	Provincial Correctional Institutions	Sask. Income Plan Recipients in Special Care Homes	Other Beneficiary Categories	Totals
Medical Examinations and Reports	$ 95,068	$ 3,486	$ 121	$ 59	$ 41,754	$ 140,488
Dental Services	4,650,967	153,768	131,069	33,097	145,423	5,114,324
Non-Formulary Drugs (Plan 3)	544,957	145,450	37,147	571,786	6,045	1,305,385
Medical Appliances and Supplies	722,644	39,211	3,555	141,563	2,447	909,420
Optical Services	1,286,395	44,744	45,743	19,266	103,098	1,499,246
Chiropractic Services	716,667	5,384	25,852	2,245	165,032	915,180
Ambulance	763,712	19,133	9,578	151,398	2,235	946,056
Totals: Supplementary Health Program	$ 8,780,410	$ 411,176	$ 253,065	$ 919,414	$ 466,034	$ 10,830,099

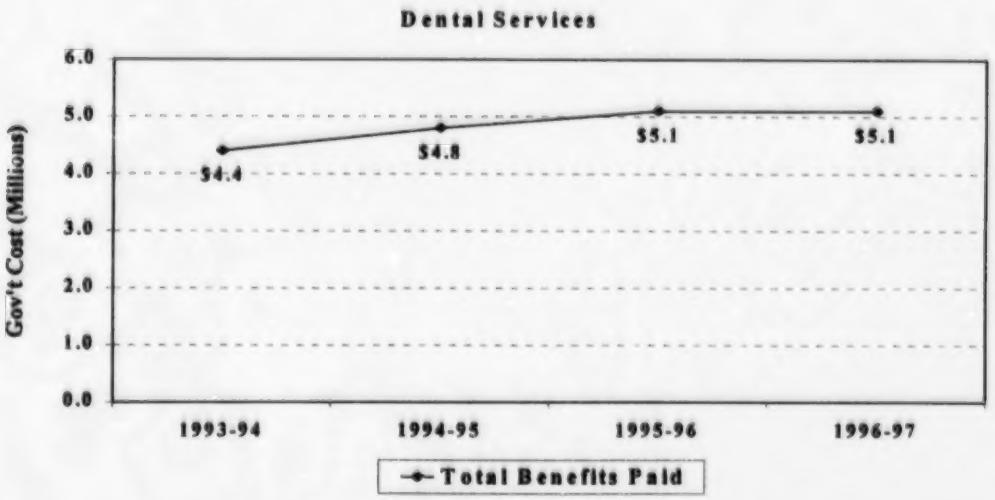
1. Medical Services

Supplementary Health pays the full cost for non-insured third party medical examinations and reports requested by Saskatchewan Social Services. These examinations are to determine the level of required nursing care, rehabilitation potential and employability.



2. Dental Services

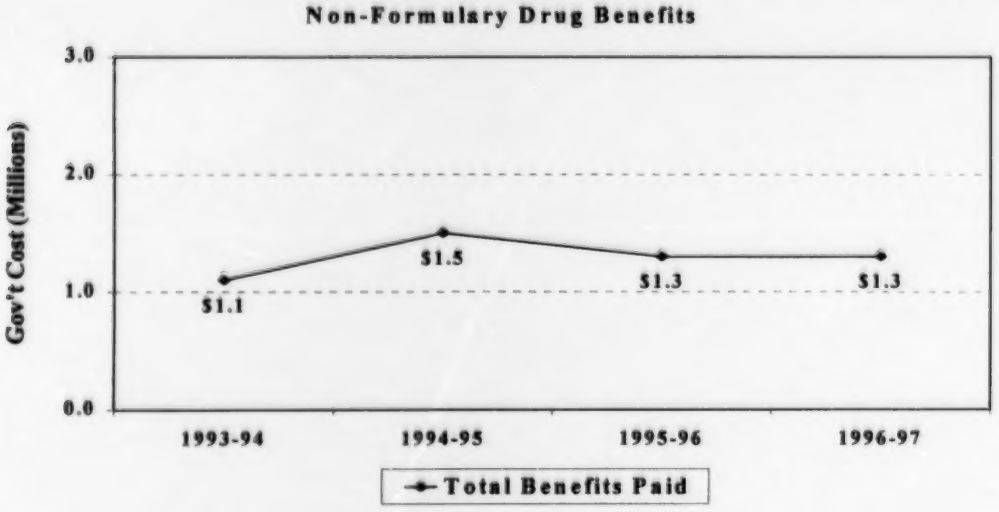
Coverage includes preventive, restorative, exodontic, and prosthetic dentistry for eligible beneficiaries.



3. Non-Formulary Drug Benefits

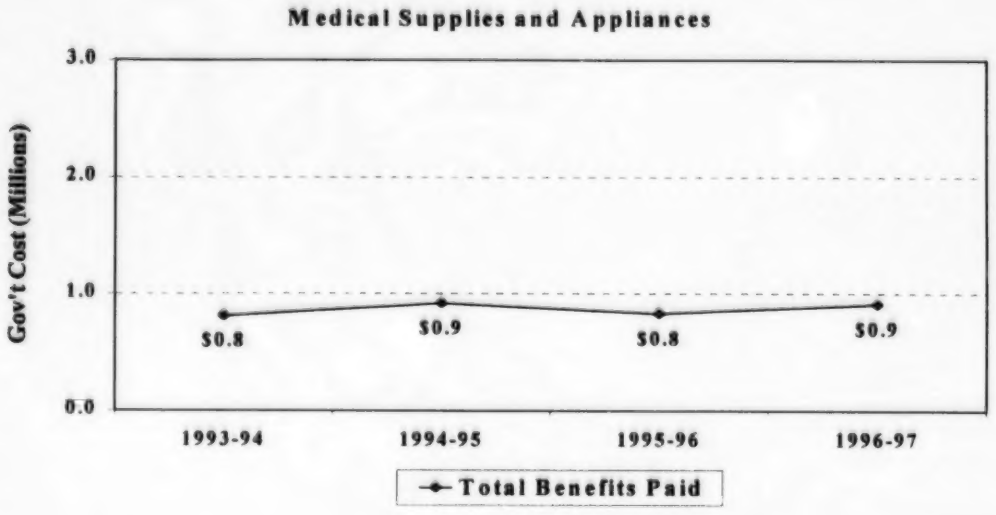
Supplementary Health provides certain non-Formulary drugs without charge for Plan Three residents in nursing and approved community homes, government wards and provincial correctional centre inmates. Formulary and non-Formulary drug benefits for the different levels of Social Assistance Plan coverage are outlined earlier in the report on page 9.

Coverage may also be granted in unusual circumstances for Plan One and Two beneficiaries where drug requirements are not met by Formulary drugs or products approved under Exception Drug Status.



4. Medical Supplies and Appliances

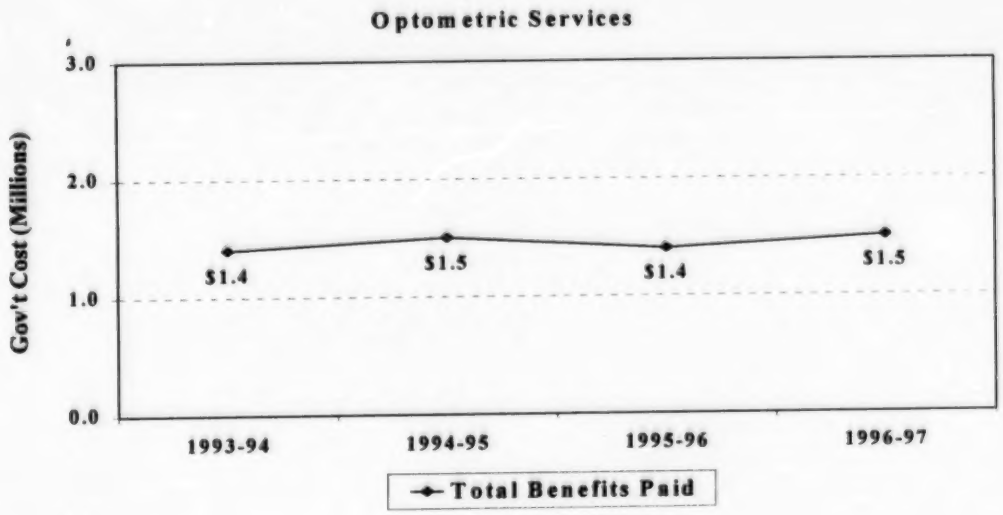
Supplementary Health covers the full cost of most medical supplies and appliances prescribed by a physician for Supplementary Health beneficiaries.



5. Optometric Services

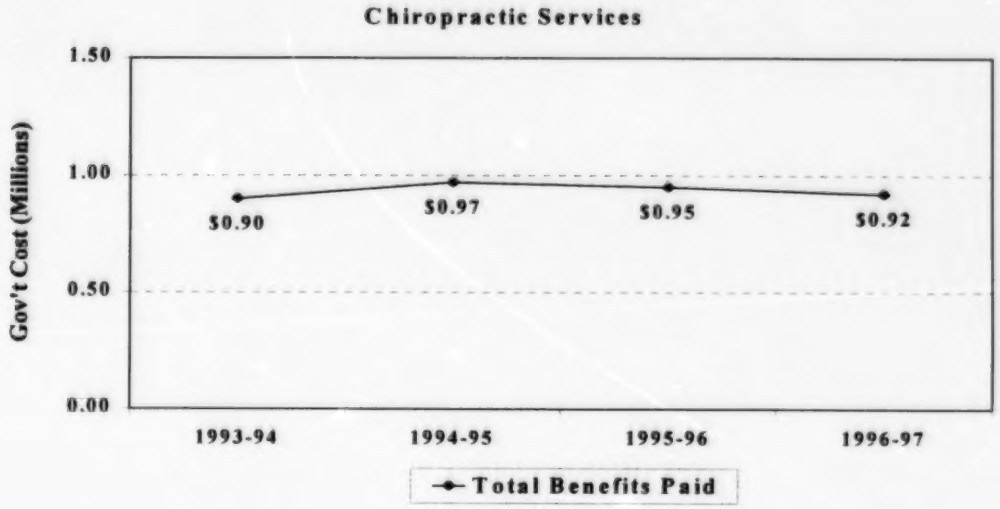
Supplementary Health covers eyeglasses for Supplementary Health beneficiaries and children of Family Income Plan recipients whether provided by an optometrist or ophthalmic dispensary. Payment is made on the basis of laboratory costs plus a dispensing fee. Fees are paid according to negotiated payment schedules. There is an upper limit on the amount paid for eyeglass frames.

The cost of eye examinations is covered for all Supplementary Health beneficiaries age 18 and over. Children are covered on a universal basis by the Medical Services Plan.



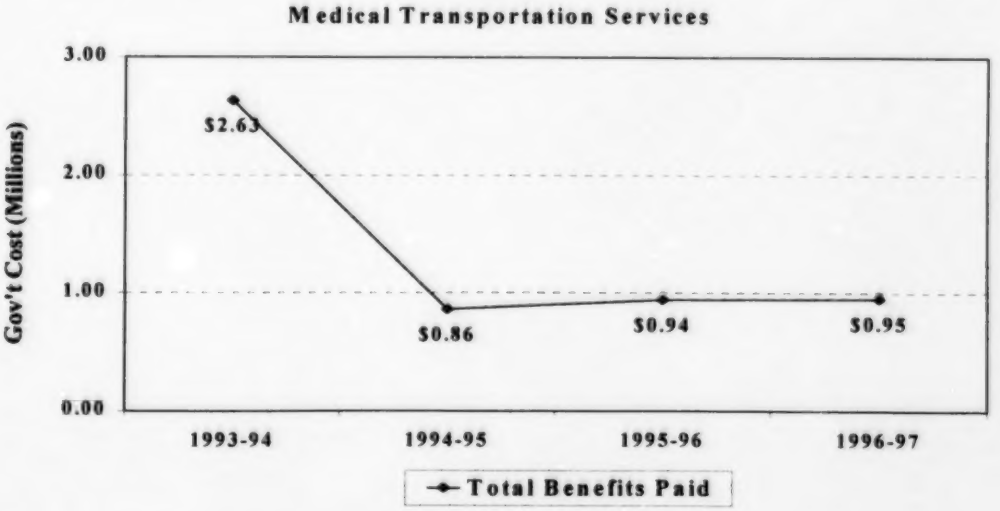
6. Chiropractic Services

The services of chiropractors are fully covered for Supplementary Health, Family Income Plan and Saskatchewan Income Plan beneficiaries.



7. Medical Transportation

Benefits include coverage for emergency medical transportation by road. The decrease in expenditure for 1994-95 is related to the April 1, 1994 transfer of the Northern Medivac Program and long-distance medically related transportation for social assistance recipients to the Northern Health Service Branch.



Saskatchewan Aids to Independent Living (SAIL)

BACKGROUND

- SAIL began providing benefits on April 1, 1975, providing eligible residents with prosthetic/orthotic devices.
- On August 1, 1975, SAIL benefits expanded to providing equipment loans and equipment repairs for all residents of the province.
- On April 1, 1976, SAIL took over responsibility for: the Paraplegia Program which covers the cost of appliances recommended by the attending physician; the Cystic Fibrosis Program which provides drugs and special appliances for certain beneficiaries; and the Chronic End Stage Renal Disease Program which provides assistance with the cost of necessary medications for certain beneficiaries.
- In 1979-80, the Ostomy and Home Hemophilia programs were added.
- In 1984-85, coverage expanded to include aids and services required by the blind residents in the province.
- In June 1987, the responsibility for the acquisition, distribution and repair of Special Needs Equipment (eg. wheelchairs, patient lifts, etc.) was transferred to the Saskatchewan Abilities Council. SAIL continued to fund the full cost of the program.
- In August 1987, took over administration of the Home Oxygen Program from the Drug Plan.
- In September 1987, transferred responsibility for the acquisition, distribution and repair of equipment required by the blind to the Canadian National Institute for the Blind (CNIB). SAIL continues to provide funding to CNIB for delivery of these services.

ELIGIBLE BENEFICIARIES

People with long term disabilities or illnesses which leave them unable to function fully may receive specialized benefits through the SAIL program to help them achieve more independent and active lifestyles.

All Saskatchewan residents, with certain exceptions, are eligible for the Universal Benefits of Orthopaedic Services, Special Needs Equipment, and Home Respiratory Services.

Beneficiaries with particular disabling conditions are eligible under the various Special Benefit Programs; Paraplegia, Cystic Fibrosis, End Stage Renal Disease, Ostomy, and Aids to the Blind.

PROGRAM OBJECTIVES

SAIL has been established to provide aids and services to the physcially disabled residents of Saskatchewan.

Table 15
Caseloads and SAIL Payments

	1995-96		1996-97	
	Caseload	Expenditures	Caseload	Expenditures
Orthopaedic Services	n.a.	1,405,429	n.a.	1,496,039
Special Needs Equipment	n.a.	2,454,882	n.a.	2,106,111
Home Oxygen	1,737	8,918,464	1,751	7,462,826
Respiratory Equipment	n.a.	366,160	n.a.	399,994
Paraplegia	1,601	1,800,219	1,653	2,137,878
Cystic Fibrosis	102	175,715	110	150,990
Renal Disease	466	1,016,900	484	1,403,635
Ostomy	1,645	432,520	1,726	471,772
Aids to the Blind	1,629	179,168	1,714	207,926
Total		**$16,749,457**		**$15,837,171**

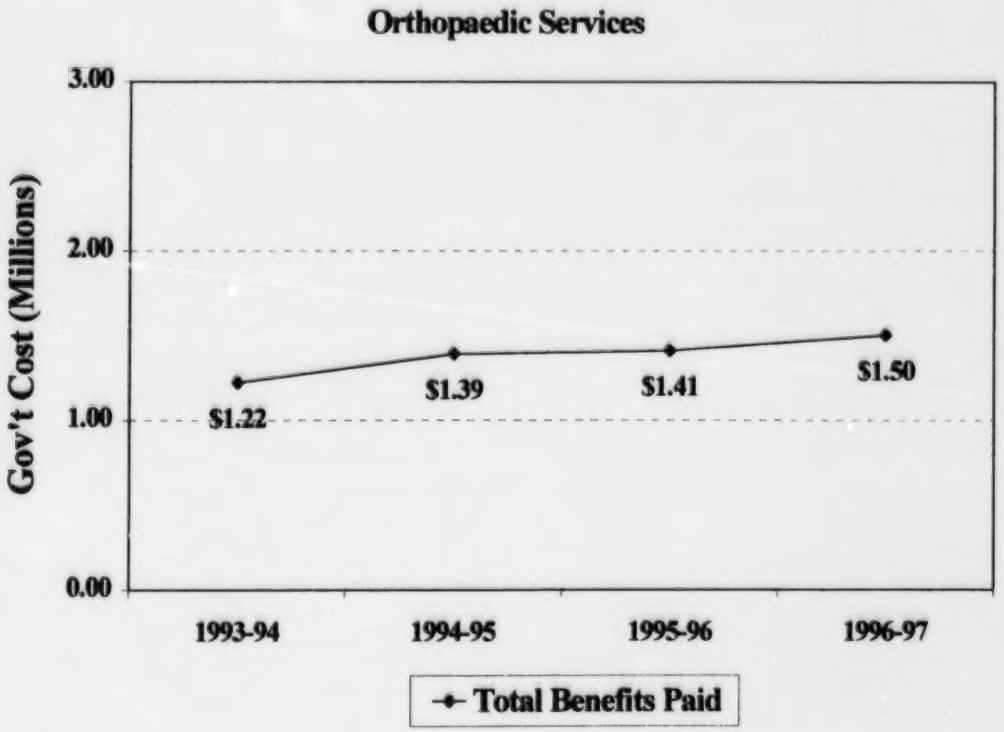
1. Orthopaedic Services

Prosthetic Appliances – Artificial limbs and accessories are supplied, fitted, adjusted and repaired without charge.

Orthotic Appliances – Higher-cost back braces, knee braces and splints are supplied, fitted, adjusted, and repaired without charge.

Specialized and adaptive seating, and custom-built footwear are also provided by SAIL. All of the above services are supplied by the orthotics and prosthetics departments of the Wascana Rehabilitation Centre in Regina and the Saskatchewan Abilities Council in Saskatoon.

Custom pressure or burn garments are supplied and fitted without charge. SAIL arranges for the supplier to provide garments.



2. Special Needs Equipment

Mobility Aids – Wheelchairs, walkers, and specialized crutches are loaned, maintained and repaired without charge. Eligibility is based on assessed long-term need.

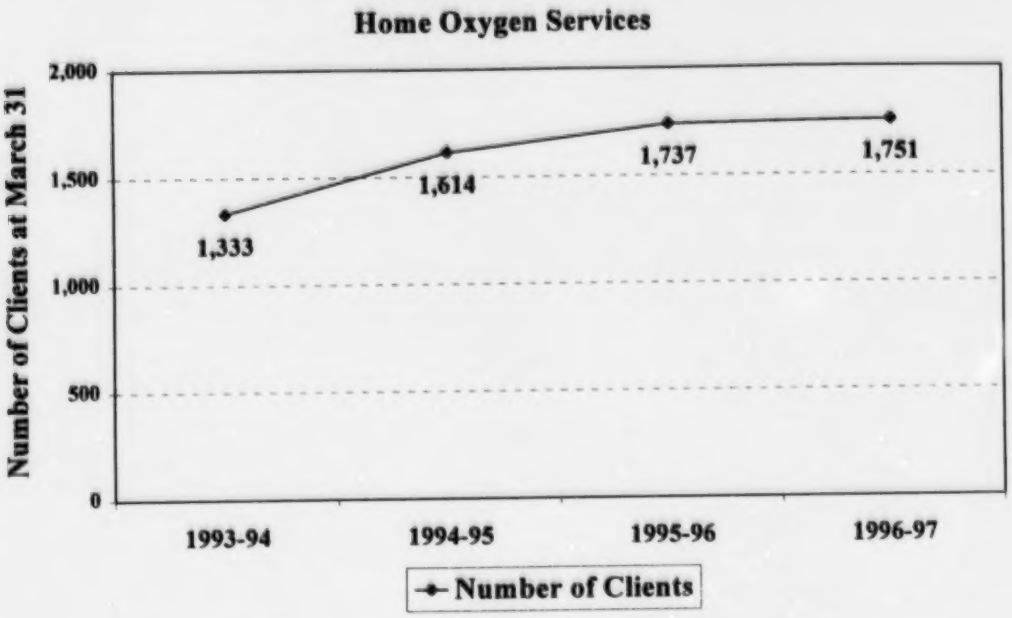
Environmental Aids – Higher-cost equipment such as hospital beds and accessories, transfer assists and commodes are loaned, maintained and repaired without charge. Eligibility is based on assessed long-term need.

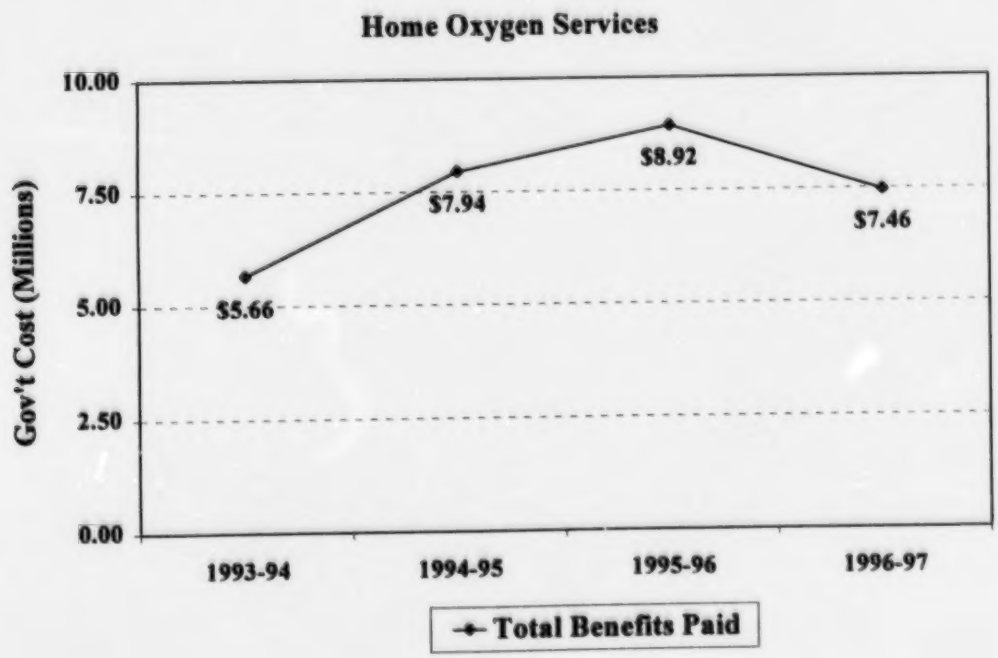
The Special Needs Equipment Program is operated by the Saskatchewan Abilities Council under contract with SAIL. Equipment depots are located in Prince Albert, Regina, Saskatoon, Swift Current and Yorkton.

3. Home Respiratory Services

Home Oxygen Therapy – Home oxygen and related equipment are benefits under SAIL for Saskatchewan residents who meet the medical criteria for home oxygen therapy. The systems are supplied by private medical oxygen supply firms under contract with SAIL. SAIL covers the full cost of the basic systems.

Respiratory Equipment – SAIL shares the purchase cost of aerosol therapy compressors for eligible beneficiaries, who are responsible for maintenance and repairs. Home respiratory equipment such as ventilators, CPAP units, suction pumps, percussors, postural drainage boards and tracheostomy humidification packs are loaned, maintained and repaired without charge. Eligibility is based on specific medical criteria.


Home Oxygen Services
Number of Clients at March 31
2,000
1,500
1,000
500
0
1,333
1,614
1,737
1,751
1993-94
1994-95
1995-96
1996-97
Number of Clients


Home Oxygen Services
Gov't Cost (Millions)
10.00
7.50
5.00
2.50
0.00
$5.66
$7.94
$8.92
$7.46
1993-94
1994-95
1995-96
1996-97
Total Benefits Paid

4. Special Benefit Programs

In addition to regular SAIL Program benefits, extended coverage is provided to beneficiaries with particular disabling conditions.

Paraplegia Program – Drugs listed in the Saskatchewan Formulary and certain drugs approved for coverage under the Drug Plan Exception Drug Status are available at no charge.

Incontinence management and dressing supplies for chronic conditions are available without charge.

Specialized rehabilitation equipment is loaned, maintained and repaired without charge. Financial assistance for vehicle hand controls, ramps and wheelchair lifts is also provided.

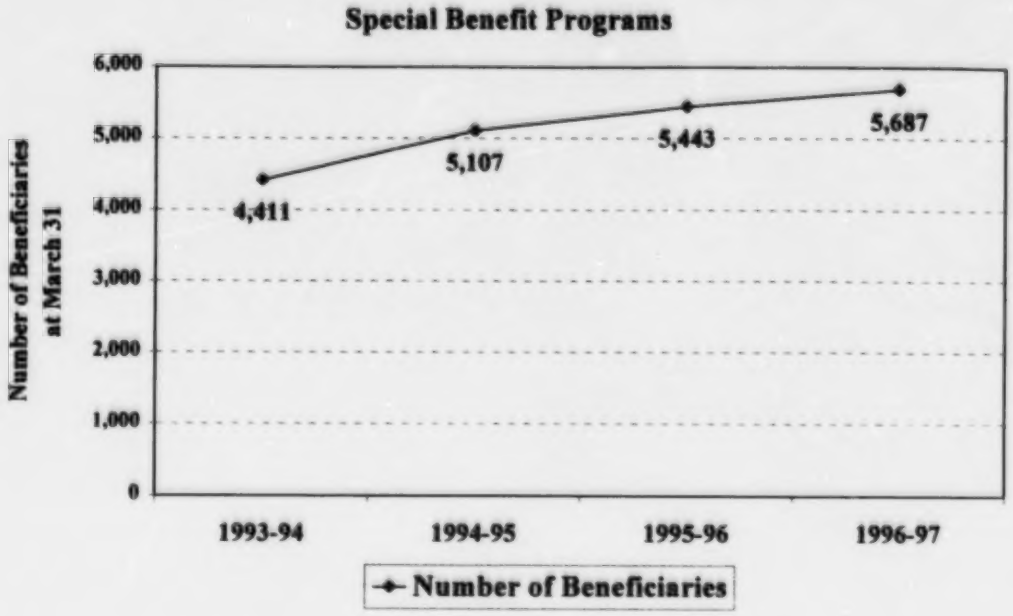
Cystic Fibrosis Program – Drugs listed in the Saskatchewan Formulary and certain drugs approved for coverage under the Drug Plan Exception Drug Status are available at no charge. In addition, food supplements and digestants are covered.

End Stage Renal Disease Program – Drugs listed in the Saskatchewan Formulary and certain drugs approved for coverage under the Drug Plan Exception Drug Status are available at no charge.

Ostomy Program – SAIL provides reimbursement of half the cost of ostomy supplies, such as appliances, adhesives and adhesive removers, to eligible persons referred by enterostomal therapists.

Aids to the Blind Program – Financial assistance is provided for aids such as braille watches, talking calculators and low-vision eyewear. Braillers, tape players and recorders are loaned, maintained and repaired without charge. Magnifiers and telescopes are supplied without charge.

Low vision eyewear is provided through optometric/ophthalmic dispensers. Equipment services are provided by the Canadian National Institute for the Blind (CNIB) under contract with SAIL.


Special Benefit Programs
Number of Beneficiaries at March 31
6,000
5,000
4,000
3,000
2,000
1,000
0
4,411
5,107
5,443
5,687
1993-94
1994-95
1995-96
1996-97
Number of Beneficiaries

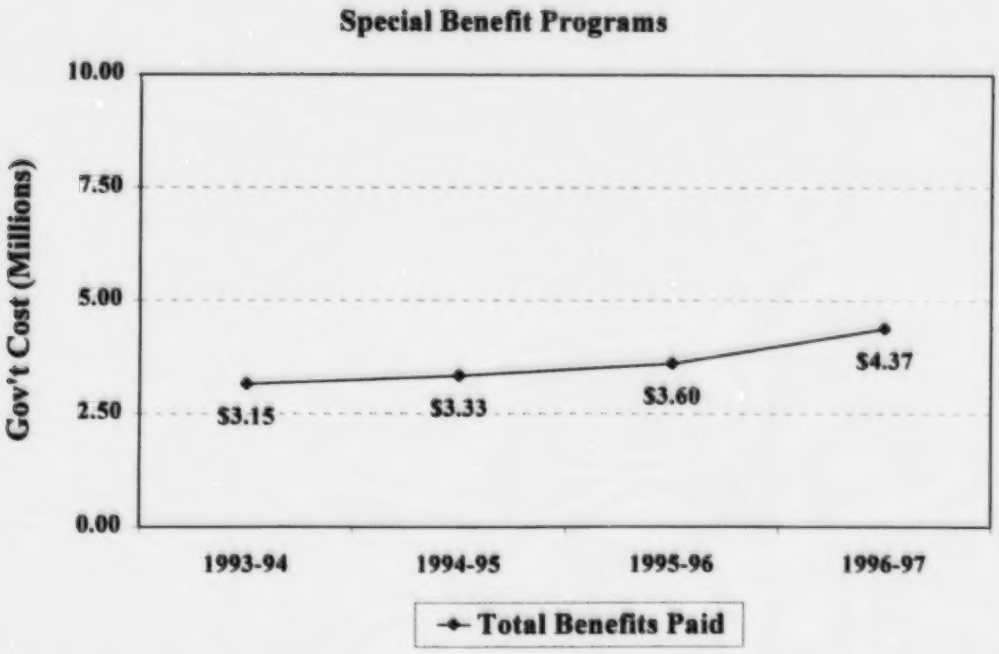

Special Benefit Programs
Gov't Cost (Millions)
10.00
7.50
5.00
2.50
0.00
$3.15
$3.33
$3.60
$4.37
1993-94
1994-95
1995-96
1996-97
Total Benefits Paid

Table 16
Special Needs Equipment Program

April 1996 - March 1997

	Loans		Returns		Repairs	
	1995-96	1996-97	1995-96	1996-97	1995-96	1996-97
Wheelchairs						
- Manual	4,285	4,252	4,076	4,243	1,340	1,315
- Power (electric)	60	83	66	67	389	444
Other Aids	14,827	16,083	11,213	11,947	279	291

Table 17
Orthopaedic Services

	Issues		Repairs	
	1995-96	1996-97	1995-96	1996-97
Prosthetics	212	214	1,199	1,167
Orthotics	3,051	2,897	1,432	1,365
Footwear (braced)	169	101	68	86
Adaptive and Specialized Seating for Wheelchairs	536	625	358	340